

## REPORT FOR THE YEAR 2004-2005

### INTRODUCTION

After examination of the Auditor General's Report for the year 2003-04, the Public Accounts Committee, decided to take stock of the Auditor General of Pakistan Report for the year 2004-05, being the latest report referred to it by the House, for examination.

2. Four series of meetings of the Committee were held from 30<sup>th</sup> March 2009 to 6<sup>th</sup> May 2009, 7<sup>th</sup> September 2009 to 17<sup>th</sup> September 2009, 7<sup>th</sup> December 2009 to 23<sup>rd</sup> December 2009 and 28<sup>th</sup> April 2010 to 10<sup>th</sup> May 2010 respectively spanning over forty seven (47) sittings in the Conference Room of the Provincial Assembly Secretariat, Peshawar, in which the Audit Report, Appropriation Accounts, Finance Accounts for the year 2004-05, pending business and Reports of the Sub-Committees for the years 2001-02 and 2002-03 were examined and discussed in detail.

### AUDIT REPORT

3. The Committee considered the Audit report for the year 2004-05 consisting of 243 Draft Paras, for examination and discussed it completely in its twenty three (23) sittings. The Audit report involved irregularities like:-

- Overpayments on account of contracts, pay and allowances and rewards amounting to Rs.17.550 million.
- Misappropriation and loss to the Government property/assets/stocks worth Rs.129.952 million.
- Unauthorized/irregular payments in violation of prescribed rules/procedure and financial propriety for Rs.753.345 million.
- Non-recovery/non deposit of Government dues including sales tax, income tax, fines of Rs.1098.603 million.
- Wasteful expenditure of Rs.6.283 million.
- Retention of public money out side the Government treasury/transfer of funds to commercial bank worth Rs.3.433 million.
- Non-accountal of stores and stocks amounting to Rs.6.575 million.
- Non-production of auditable record worth Rs.123.933 million.
- Blockade of Government funds amounting to Rs.596.753 million.
- Non reconciliation of expenditure/receipts worth Rs.0.839 million.
- Non preparation of financial statements.
- Unauthentic expenditure of Rs.13.242 million.
- Internal control system was found lacking almost in all the Departments.

4. Some systemic issues were also observed such as poor record-keeping and inadequate management controls to prevent unauthorized practices.

5. The Principal Accounting Officers were therefore, directed to strengthen the management, accounting and internal controls to ensure achievement of the following objectives:-

- i. Comply with canons of financial propriety, rules and regulations, especially in autonomous institutions, through training, monitoring and accountability of Departmental functionaries.
- ii. Ensure that the accounting records are properly maintained.
- iii. Prevent recurrence of irregularities.

6. In order to achieve the above objectives the concerned Principal Accounting Officers should take the following necessary steps in future:-

- i. Investigate cases of losses, embezzlements, irregular payments and non-accountal of cash and stores and take appropriate corrective action.
- ii. Effect recovery of Government dues wherever applicable and their deposit into Government treasury.
- iii. Deposit the funds irregularly kept outside Public Account by the concerned Department.
- iv. Procurements should be made in a transparent manner regulated by an in-built checks and balances in the system.

v. Ensure timely production of relevant record to audit in respect of cases pointed out in the report besides taking disciplinary action in terms of section 14 (3) of Auditor-General's Ordinance 2001.

vi. Hold regular Departmental Accounts Committee (DAC) meetings in time.

vii. Take cognizance of the failure of the internal control environment in the Departments of the Government and take effective steps to prevent recurrence of such violations/irregularities.

viii. They must ensure their personal attendance in meetings of the Public Accounts Committee, should not press on the concealment of irregularities and must give top priority to the PAC business.

7. The following table shows the detail of total draft paras pertaining to all Administrative Departments and recommendations of PAC thereon, which were discussed during the meeting of PAC :-

Department	Total DPs	Dropped	VOR/ Physical Verification	Recovery	Deptt Action	IDC	Sub- Com	Law Reforms Com:	Pending
Agriculture	9	2	1	1	1	–	3	1	–
Higher Education	12	5	1	–	3	–	–	1	2
Elementary & Secondary Education	10	3	1	–	1	1	3	–	1
Environment	29	7	10	2	6	–	3	–	1
Finance	2	1	–	–	1	–	–	–	–
Food	11	6	1	–	2	–	2	–	–
Population Welfare	6	–	–	–	2	–	3	–	1
Energy & Power	2	1	–	–	1	–	–	–	–
Irrigation	38	14	5	1	1	1	4	–	12
Governor's Secretariat	2	1	–	–	1	–	–	–	–

Law and Peshawar High Court	4	2	-	-	-	-	-	-	2
P & D	8	2	-	-	-	1	-	-	5
Establishment & Administration	3	1	-	2	-	-	-	-	-
Work & Services	28	10	2	2	4	1	5	-	4
Home & Tribal Affairs	37	13	14	2	-	-	4	-	4
Health	42	9	4	10	4	6	8	-	1
<b>Total</b>	<b>243</b>	<b>77</b>	<b>39</b>	<b>20</b>	<b>27</b>	<b>10</b>	<b>35</b>	<b>2</b>	<b>33</b>

-

-

#### APPROPRIATION ACCOUNTS

8. Appropriation Accounts for the year 2004-05 were discussed by the Public Accounts Committee in its nineteen sittings held in the months of September, December 2009 and April 2010. During examination of the said accounts it was observed by the PAC that:-

- (a) Huge amounts were re-appropriated to certain heads of accounts where no original/supplementary budgetary provisions were provided.
- (b) Expenditure in millions was incurred by some Departments without budgetary allocations.
- (c) Huge saving in billions were not surrendered by various Departments as required under para 95 of General Financial Rules.
- (d) The figures of Final Grants and Actual Expenditures shown by the Departments in the working paper did not tally with the Accountant General's figures due to which a great deal of time was wasted in trying to work out mutually accepted figures and the main job of the PAC to examine the reasons for excesses/savings in the appropriation, was badly suffered.

9. It was also observed that generally the re-appropriation of funds was not made by the Department in accordance with the instructions of the Finance Department. Moreover, the re-appropriation so made was not notified in time as a result it was not accounted for by the Accountant General or by the Finance Department. Hence there was a difference of final grant and expenditure figures between A.G. Office, Finance Department and the Administrative Department. The Committee directed that in future each and every re-appropriation be made in accordance with the instructions of Finance Department and be endorsed to each quarter to avoid any discrepancy.

10. The committee condoned the nominal savings or excesses however where huge excesses or savings were involved, the committee referred these accounts to sub committees for detailed examination.

11. Most of the accounts were deferred due to huge difference in figures of A.G and the Departments despite clear directions for holding pre PAC meetings and re conciliation. In most cases the Committee directed the Departments to reconcile the

figures with A.G and come up with agreed upon figures for consideration of the Committee but the Departments failed to comply with the directives.

12. The Committee therefore, directed strictly the Departments to hold pre PAC meetings to carryout reconciliation so that in future only reconciled and agreed upon figures and statements of appropriation accounts could be placed before PAC for examination and in case of failure, the Administrative Secretary of the Department would be held responsible.

### **FINANCE ACCOUNTS**

13. Finance Accounts were discussed by Public Accounts Committee in its five sittings held in the months of December, 2009 & May, 2010. It was observed during examination of Accounts by the PAC that:-

a. Huge amounts were booked under various heads of Accounts, where no estimates of receipts were proposed in the Budget.

b. Various estimates of receipts were proposed under various heads of accounts for the year 2004-05, but no actual realization was made against the said heads of accounts.

c. Most of the targets fixed were unrealistic which showed that consultation between Finance and concerned Departments was not done as an annual ritual without thorough and rigorous examination of all factors which determine the realistic volume of revenue that can be collected.

d. Most of the figures of Revised targets and actual receipts as recorded in the Finance Accounts did not tally with the figure shown by the departments in the working paper, due to which a great deal of time was wasted, trying to work out mutually accepted figures and the main job of PAC to examine the reason for less receipts was badly affected and most of the accounts were deferred.

14. The PAC in order to stream line the system and to avoid such like complications, directed the Finance and Administrative Departments to evolve a comprehensive system for collection of taxes with rigorous mutual consultation to fix realistic targets in future. Moreover, the Departments were also directed to ensure DAC/Pre-PAC meetings before coming to PAC.

-

### **GENERAL OBSERVATIONS**

#### **Ø SPECIAL AUDIT**

15. During the course of discussion it was pointed out by Audit that huge amount was lying in the P-deposit of various departments whereas the Government money needed to be deposited into treasury. It was also noticed that there were unauthorized accounts maintained in certain Government organizations in which huge Government money was lying without any utilization. The Committee, in order to streamline the system and to know the factual position, directed the Director General, Audit to conduct special Audit of the Government Organizations about unauthorized accounts and amount lying in P-deposit. The Director General, Audit assured that he would conduct special Audit within a period of three months.

#### **Ø MISUSE OF DAC/PRE PAC FORUM.**

16. It was noted by the PAC that the Departments did not take to hold meetings of DAC seriously and did not pursue/implement the decisions made therein properly, despite the fact that the PAC has issued its observations time and again in this regard. The PAC therefore, once again directed the departments to ensure holding of pre-PAC meetings to facilitate the job of PAC.

17. Basically, the purpose of Pre-PAC is that the Department should come updated to PAC and to see as to whether decisions of DAC such as verification of record and recovery etc were implemented or otherwise. In case of Appropriation and Finance Accounts the departments are required to ensure reconciliation of figures with Finance Department and Accountant General Office that would not only help the PAC but also the departments in settling Audit objections.

18. It was also observed by the PAC that the departments had developed a new trend by coming up with a new version at pre-PAC level all together ignoring the decisions made by the DAC. It was once again clarified that Pre-PAC meetings are preparatory meetings for the main PAC, therefore, it should not reopen the issue contradictory to that has already been decided by the DAC as it creates a lot of unnecessary complications.

-

#### **Ø SHORTAGE OF STAFF**

19. During the course of discussion it was noticed that the budget officer of the Health Department was the only officer dealing with the budget and PAC affairs with out any help from subordinates. The PAC therefore, directed all the Departments to provide sufficient subordinate staff to the officers dealing with the PAC/Accounts matters.

Ø **INTERNAL AUDIT.**

20. Internal Audit is one of the requirements of general financial rules. It plays a vital role to prevent and detect financial irregularities in an Institution. In various reports of the PAC, its importance was highlighted but the Departments do not pay any heed to the Committee directives/recommendations. It was therefore, once again directed that the Administrative Secretaries must ensure internal audit in all its subordinate offices and copy of the observations raised during internal Audit invariably be sent to Audit Department as required. The respective officer who conducted the Internal Audit must also attend meetings of PAC in future.

Ø **POOR WORKING PAPER.**

21. It was noted by the Committee with grave concern that the working papers provided by the Department were poorly drafted. Supporting documents were not at all annexed with any para. All the time, the Department had to search the supporting materials i.e. vouchers, letters, actual payee receipts, enquiry reports, or court decisions in the file, which not only created inconvenience to the Committee but the Department also had to face embarrassing situation. In most of the cases, the reply of the Department before the Committee was totally different than the one contained in the working paper. At one occasion the Deputy Inspector General of Police admitted himself that the reply mentioned in the working paper was incorrect. When asked by the Chairman, that it had been signed by the DIG and Secretary Home & Tribal Affairs, one had to cut sorry figure for the incorrect reply. The PAC in such circumstances directed the departments to prepare the working paper in proper way, annexing all supporting materials enabling the Committee to arrive at a just conclusion. Moreover, reply other than the one incorporated in the working paper would not be acceptable, therefore, the Department should carefully prepare all the replies and would not be allowed to back track from the one, before the Committee.

Ø **DAC MEETINGS**

22. The PAC has time and again directed the Departments to hold DAC meetings before coming to PAC so as to sort out the petty nature paras at that forum and to present a clear picture to PAC. DAC is such a forum that not only streamlines the financial discipline but also makes easy the job of PAC. It was noted that Irrigation Department had not conducted DACs as a result several paras that could have been settled earlier, were brought to PAC. The Committee therefore, could not arrive at any decision as the same were not thrashed out in DAC.

Ø **NON IMPLEMENTATION OF DAC DECISIONS**

23. The Committee observed that the Departments were taking the decision of the DAC very light, so much so that decisions made are not implemented in its true spirit which is not fair on the part of the Departments. It, therefore, directed that in future all decisions made by the DAC, must be implemented in letter and spirit.

24. The Administrative Secretaries were directed to take note of such laxity of the concerned officers/officials for showing slackness in implementation of DAC directives and to initiate strict disciplinary actions against those responsible for non implementation of DAC directives.

Ø **MIS-APPROPRIATION OF GOVERNMENT MONEY**

25. The PAC observed that in number of cases, receipts were embezzled and misappropriated which should have been credited to Government accounts. It was observed that in all these cases, the controlling officers failed to watch these activities and as a result the public money was misappropriated. The Finance Department was directed to issue notices to all the Departments to avoid such practice in future otherwise the controlling officers would be held responsible and recovery would be made from them.

-

Ø **NON-ATTENDANCE OF PAC MEETINGS BY PRINCIPAL ACCOUNTING OFFICERS.**

26. The Public Accounts Committee noted that usually the Administrative Secretaries either did not appear before the PAC, personally or even when they did attend the meeting they were not prepared properly. Most often they were relying on their subordinates who, too were not well versed to respond to the queries of the Hon'ble Members. It, therefore, directed that the Principal Accounting Officers being Chairmen of the DACs must attend the PAC meetings as they are supposed to be in a better position to explain the case before the PAC. In any case they are not in a position to attend the PAC meeting, they should depute their next senior most officer not below the rank of Additional Secretary with prior permission of the Chairman PAC.

Ø **INSTRUCTION TO AUDIT DEPARTMENT .**

27. The PAC observed that latest reports were not being presented by the Audit Department rather 5-6 years old reports were being laid, the scrutiny of which seemed to be a futile exercise as all the responsible for the misdeed had either been retired from service or passed away by then.

28. The Audit Department was therefore, directed to expedite the process of Audit and to bring the latest reports before the PAC so that better results could be achieved. During the meeting it was also noticed that the representative of Audit present in the meeting, were neither fully aware of the Audit Para under discussion nor they had any previous record of the Para to know the actual cause which lead to the framing of Para. The Audit Department was, therefore, directed to be more professional considering the present day challenges and to constantly update and improve their skills in discharging their professional responsibilities. They should also possess a good understanding of the Constitutional, legal and institutional principles and standards, governing the operations of audited entities. This will ensure the fairness, impartiality and competence of the Auditors.

#### **Ø COMMENTS OF THE FINANCE DEPARTMENT.**

29. While discussing the appropriation accounts it was noticed that the comments of the Finance Department on the working paper was just a rubber stamp that "position may be explained before PAC" hence the department was directed to record proper comments keeping in view the nature of the issue.

#### **RECOMMENDATIONS**

30. While submitting this report to the Provincial Assembly of Khyber Pakhtunkhwa, the Committee finally recommends that the suggestions, recommendations and directives made by the Committee in the report be adopted/approved.

**(KIRAMATULLAH KHAN)**

Speaker/Chairman

Public Accounts Committee.

#### **AGRICULTURE, LIVESTOCK AND COOPERATION DEPARTMENT**

##### **OVERVIEW**

Nine (09) draft paras reflected in the Audit Report for the year 2004-05 were taken up for examination by the Public Accounts Committee (PAC) in its meeting held on 30/03/2009.

2. The PAC having considered Audit's point of view and explanation advanced by the Department made recommendations on each para as under:-

##### **DRAFT PARAS**

###### **DP No.1.1 NON-DEPOSIT OF BALANCE IN GOVERNMENT TREASURY Rs.3.597 MILLION.**

3. The Audit reported non deposit of unspent balance of grant in aid amounting to Rs.3.597 on the close of the financial year 2003-04. The Department explained that the case for condonation for not surrendering the amount and placing the same in PLS account was sent to Finance Department on 30/08/2008, which was still awaited. However it was added that the entire balance amounting to Rs.2,50,28,414/- which included the amount involved in the para, had been deposited into Government Treasury. During the course of discussion, the Secretary of the Department suggested that the responsible officers of that period in which the irregularity was committed should be summoned to the meeting to explain the factual position. The committee agreed to the suggestion. It was suggested by the Audit that in the instant case, Bank pass Book and reconciliation certificate of the bank needed to be checked so as to know as to whether the amount in question alongwith interest accrued thereon was deposited in the treasury or otherwise.

4. The PAC decided to constitute a Sub-Committee consisting of the following Members to thrash out the issue in detail and submit a report within one month:-

1. Mr.Abdul Akbar Khan, MPA Chairman

2. Mr. Saqib Ullah Khan Chamkani, MPA Member

3. Mr. Muhammad Zamin Khan, MPA Member

DP No.1.2 **NON-DEPOSIT OF INTEREST IN GOVERNMENT TREASURY Rs.2.695 MILLION.**

DP No.1.4 **NON-DEPOSIT OF SAVINGS IN GOVERNMENT TREASURY Rs.1.252 MILLION.**

5. As per para 1.1 above.

DP No.1.3 **NON-RECOVERY OF ELECTRICITY CHARGES AMOUNTING Rs.1.349 MILLION.**

6. The Audit reported non recovery of electricity charges worth Rs.1.349 million from Pakistan Oil Seed Development Board and Nuclear Institute for Food and Agriculture. The Department explained that the share of NIFA as calculated by the Audit was not correct. The Department admitted Rs.68,595/- as utility share payable by the NIFA. It was added that the entire amount of Rs.68,596/- had been recovered and deposited in the bank. This portion of the para was recommended to be dropped. However with regard to recovery from PODB, the Department contended that Director CCRI, Pirsabak was bound to provide the irrigation facility for the said land as per MOU item No.3. The MOU as produced by the Department was examined. The Committee observed that the Department was bound to provide the irrigation facility, but it did not say that operation charges should not be recovered from the PODB.

7. After detailed discussion the Committee directed that the Agriculture Department should make recovery from the PODB within one month positively and report be submitted to PAC. Para stands to that extent.

DP No. 1.5 **IRREGULAR PURCHASE OF FERTILIZER WORTH Rs.7,11,605/-**

8. The Audit reported irregular purchase of fertilizer worth Rs.7,11,605/-. The item was procured through quotation during the financial year 2003-04 instead of calling open tender system. The Department was unable to advance any plausible explanation in support of the irregularity committed. The Committee, therefore, recommended that the officer responsible for non tendering should be proceeded against under the rules and strict action may be taken against him. Para stands, progress be reported to PAC with in one month.

DP No.1.6 **OVER PAYMENT DUE TO ALLOWING HIGHER PREMIUM Rs.5,39,694/-.**

9. The Audit reported over payment of Rs.5,39,694/- due to allowing higher premium. The premium upto 65% over the composite schedule of rates 1993 on building works in plain area, was fixed by the government, whereas in the instant cases 77%and 76% premiums were allowed, which resulted in overpayment.

10. The representative of the C&W Department present in the meeting explained that 10% premium over and above the scheduled rates was admissible as per delegation of power rules and CPWA code.

11. The Audit objected that the 10% premium on the 65% comes to 6.5%, hence a premium upto 71.5% was admissible.

12. The Committee asked the representative of Works & Services Department to apprise the Committee of the rules referred to, but he could not produce the same.

13. The para was, therefore, kept pending for two days and the representative of Works & Services Department was asked to produce the said authority to clarify the position.

14. On 1<sup>st</sup> April, 2009, the para was again discussed and the representative of the Works & Services Department produced a copy of S.No.21.3-Acceptance of tenders of Delegation of Powers in support of his contention which says that "the rates quoted and/or amounts tendered are such that the total cost of a project/works will not exceed the amount for which project/works is administratively approved by more than the 15%". However, the Finance Department coupled with Audit did not agree and contended that the spirit of allowing premium over and above the schedule rates under the delegation of powers could only be allowed during the course of execution of work for certain items which were not covered under BOQ cropped up. Since the issue needed in depth study of the rules on the subject, therefore, on the suggestion of Mr. Abdul Akbar Khan, MPA, the decision on the para was kept pending, and it was referred to Law Reforms Committee to scrutinize the issue.

DP No.1.7 **NON-RECOVERY OF RS.3,75,000/- ON ACCOUNT OF LEASE OF LAND.**

15. The Audit reported non recovery of Rs.3,75,000/- on account of lease of land. The Department explained that according to the agreement made with PODB, the PODB had to develop the land and make it cultivable. The Director PODB said that the PODB had spent a huge amount on development of this land and it would be used without lease for the period of 10-years

as per agreement. The Chairman directed that Mr. Saqib Ullah Khan Chamkani, MPA and Muhammad Ali Shah Bacha, MPA may visit the site and if it was found that the land in question has been developed, the para would be considered as dropped.

DP No.1.8 **IRREGULAR PAYMENT FOR SUB STANDARD FEED Rs.2,78,000/-.**

16. The Audit reported that feed worth Rs.2,78,000/- was procured for poultry during 2000-01. Although the supply was found substandard being deficient in minerals and vitamins as pointed out by the Deputy Director (Poultry), full payment was made to the supplier, which was irregular.

17. The Department explained that as per directive of DAC, a certificate to the effect that the diet was nutritious had already been provided to Audit.

18. In view of plausible explanation of the Department, the para was recommended dropped.

DP No.1.9 **NON-RECOVERY OF CONVEYANCE CHARGES- Rs.1,47,000/-.**

19. The Audit reported non recovery of conveyance charges amounting to Rs.1,47,000/-.

20. The Department explained that about 80% of the staff of the Sugar Crops Research Institute, Mardan had to come from the suburb of the SCRI, Mardan. During the period, pick and drop facilities to the Research Scientists (BPS-17 & 18) and some supporting staff such as Field Assistants and Ministerial Staff of SCRI, Mardan (15 Km) was allowed with the consent of the Head of Department. It was not a privilege for them rather it increased efficiency of the staff to come early for duty to serve public in a better way. However the facility was later on withdrawn, when it came to know that no such provision existed in the rules.

21. In view of explanation of the Department, the para was recommended to be dropped. However the Department was directed to avoid such practice in future.

-  
-  
-

**ESTABLISHMENT AND ADMINISTRATION DEPARTMENT.**

**OVERVIEW**

Three (03) draft paras reflected in the Audit Report for the year 2004-05 were taken up for examination by the Public Accounts Committee (PAC) in its meeting held on 23/04/2009.

2. The PAC having considered Audit's point of view and explanation advanced by the Department made recommendations on each para as under:-

**DRAFT PARAS**

DP No.4.1 **UN-AUTHORIZED EXPENDITURE OF Rs.58.036 MILLION.**

3. In view of plausible explanation of the Department, the para was recommended to be dropped.

DP.No.4.2 **NON-RECOVERY OF RENT OF GOVERNMENT ACCOMMODATION AMOUNTING TO Rs.4.637 MILLION.**

4. The Audit reported non recovery of rent of government accommodation of Rs.4.637 million from the occupants. The department emphatically accepted the Audit contention saying that efforts were under way to make the recoveries good.

5. The PAC directed the Department that recovery may be made from the concerned occupants under the rules within three months and submit report to PAC.

DP.No.4.3 **NON-RECOVERY OF GOVERNMENT DUES AMOUNTING Rs.8,86,400/-.**

6. The Audit reported non recovery of government dues amounting to Rs.8,86,400/- on account of room rent in Shahi Mehman Khana.



7. The Department said that the amount due from Ex-Minister, Health, Mr. Jalaluddin, Member L.G Commission and Mr. Noorul Qamar, Member L.G Commission, had been recovered. Nevertheless, recovery from Col. Retd Abdul Wakeel Afridi, Mr. Shafiqz Zaman D.G FATA and Dr. Sher Mohammad was awaited and efforts were being made to get the same, recovered. The PAC directed that the balance amount may be recovered from the said officers within three months and progress be reported to PAC. As regards recovery in respect of official guests of Governor NWFP and Chief Minister, NWFP, the same was recommended to be dropped.

-

## **HIGHER EDUCATION, ARCHIVES & LIBRARIES DEPARTMENT.**

### **OVERVIEW**

Twelve (12) draft paras reflected in the Audit Report for the year 2004-05 were taken up for examination by the Public Accounts Committee (PAC) in its meetings held on 31/03/2009 and 08/04/2009

2. The PAC having considered Audit's point of view and explanation advanced by the Department made recommendations on each para as under:-

### **DRAFT PARAS**

#### **DP No.2.3 UN-AUTHORIZED EXPENDITURE OF Rs.15.447 MILLION.**

3. The Audit reported unauthorized expenditure of Rs.15.447 million made in connection of work "2 inch thick premix asphalt and foot path" awarded on the basis of quotations to the selected contractors instead of observing open tender system, hence para 144 of GFR Vol: 1 was violated.

4. The Treasurer University of Peshawar explained that quotations were called from pre-qualified firms having asphalt and premix machinery. The contract was awarded to M/S KARCON on the basis of lowest bid. Moreover, the Vice Chancellor was duly authorized to award contract to the said firm on the basis of quotation under the rules. The Finance Department coupled with Audit were of the view that the provision of GFR was violated whereas the Treasurer advanced the University rules framed under Act of Provincial Assembly according to which the Vice Chancellor was competent to award contract on quotations.

5. After detailed discussion, the Para was recommended to be dropped with the observation that in future the provision of GFR must be adhered to.

#### **DP No.2.4 NON-RECOVERY OF UNIVERSITY SHARE WORTH Rs.15.230 MILLION.**

6. The Audit reported non-recovery of University share amounting to Rs.15.230 million from Institute of Management Sciences, Peshawar. The Treasurer University of Peshawar accepted the audit point of view and said that the management of IMS was approached time and again but with no result. The PAC directed the Department that responsible officer of the IMS, Peshawar may be called to the meeting of the Committee on 8.4.2009 to know the factual position.

7. On 08/04/2009, the Director IMS explained that it was nine year old issue and most of the payment had been made to University of Peshawar except Rs.64,00,000/-, which were still outstanding but University authorities had not updated the record.

8. The representatives of the University of Peshawar accepting the explanation of Director IMS assured that both of them would sit together to reconcile the whole account and to resolve the issue of outstanding amount. The PAC, therefore, directed that the representative of University of Peshawar, IMS and Audit should sit together and resolve the issue within 15 days positively. Para stands, Progress be reported to PAC.

#### **DP No.2.5 UN-AUTHORIZED PAYMENT OF SCHOLARSHIPS AMOUNTING TO Rs.13.36 MILLION.**

9. The Audit reported unauthorized payment of scholarship amounting to Rs.13.36 million paid to various Colleges/Universities located outside NWFP or the students admitted on self finance basis, hence serial Nos.4 & 10 of the revised policy were violated.

10. The Department explained that no scholarship was paid to the students admitted against self finance quota. However, the scholarships were paid to the students domiciled in NWFP studying in colleges/institutes outside the Province in view of the decision of the Board of Governors.

11. The Audit emphasized that criterion for the grant of scholarships was violated and it was granted to the non entitled students. The Committee wanted to know the complete detail of the students to whom scholarships were granted to ascertain as to

whether the said benefit was provided to the deserving students or otherwise. The para was, therefore, deferred till 08/04/2009 with the direction to the Department to produce the detail lists of the students to whom scholarships were granted.

12. On 08/04/2009, the para was again placed before the Committee for want of list of the students to whom the benefit of scholarship was provided to ascertain whether the deserving/talented students had availed it or otherwise.

13. The Managing Director Frontier Education Foundation provided the list of the students and it was noticed that most of the scholarships had been provided to students who were studying in institutions outside NWFP such as LUMS and IBA.

14. The Audit coupled with Finance contended that Frontier Education Foundation (FEF) had violated the basic criteria which states that scholarship should be awarded to those students who are domiciled in NWFP and studying in Institution within NWFP and who are not admitted on self finance basis.

15. The Managing Director admitted the Audit contention and apprised the Committee that scholarship were awarded as per decision of the Board of Directors (BOD) to compensate the deserving/talented students who were studying out side the Province.

16. The PAC did not agree with the explanation of the Department and issued clear instructions to BOD to strictly follow the criteria formulated for distribution of FEF scholarships scheme and violation of the same would not be tolerated in future. With the above observation, the para was recommended to be dropped.

DP No.2.8 **OVERPAYMENT OF HOUSE RENT ALLOWANCE AMOUNTING TO Rs.7.831 MILLION**

17. The Audit reported overpayment of House Rent allowance amounting to Rs.7.831 Million to the employees of Gomal University who were entitled to 30% House rent allowance of the minimum time pay scale, whereas the Syndicate had authorized 45% House rent. The Audit coupled with the Finance Department were of the view that the employees were not entitled for 45% House rent allowance, as the same was not sanctioned by the Finance Division, Government of Pakistan.

18. The Vice Chancellor of the University replied that Syndicate was authorized to allow the house rent at the rate of 45% to their employees. It was added that the University employees should not be treated with other employees of the government. If such like incentives were not provided, then the teachers of the University would opt to join other universities where all such facilities are available and in that eventuality the out put of the University would definitely suffer. He further told that such an issue was thrashed out by the law Reforms Committee of the Assembly, which ruled that the Act had provided powers to the University to frame Statute and Rules, and the rules have empowered the University authority to deal with such cases. Mr. Saqibullah Khan Chamkani, MPA and Mr. Muhammad Zamin Khan MPA quoted a previous decision of the PAC made in 1997, wherein it was held that the cases may be regularized from the Finance Division, or alternatively recovery be affected.

19. After detailed discussion, the PAC recommended that the para may be dropped. However it was felt that the rules framed by the Universities and other Autonomous Bodies i.e. Health Institutions needs to be examined for bringing them in conformity with the GFR and Government policy so that in future such like issues are not repeated.

20. The PAC, therefore, directed that the Audit and Finance may examine the rules of the Universities and Health Institutions, point out disparity with GFR and other financial Rules & Government policy. Their point of view may be submitted to the Assembly Secretariat for placing the same before the Law Reforms Committee for consideration.

DP No.2.9 **NON-PRODUCTION OF AUDITABLE RECORD OF Rs.7.699 MILLION.**

21. The Audit reported non production of auditable record worth Rs.7.699 million in the University of Peshawar.

22. The para was kept pending till 08/04/2009 for want of minutes of the meeting of DAC/Pre PAC along with list of participants.

23. On 08/04/2009, the Department provided minutes and list of participants in support of its contention and showed that a representative of Audit had agreed to recommend the para to PAC for settlement in pre/PAC meeting. In view of plausible explanation of the Department, the para was recommended to be dropped with the direction to Audit to adhere to its previous stance, so that precious time of PAC could be saved from wastage.

DP No.2.15 **NON-RECOVERY OF PENALTY Of Rs.1.274 MILLION.**

24. The Audit reported non recovery of penalty of Rs.1.274 million from contractors on account of non completion of work within the stipulated time.

25. The Department replied that the works & Services Department was the work executing Department and they would be in a better position to apprise the Committee of the factual position.

26. The Committee, therefore, kept the para pending till 08/04/2009 with the direction to inform the Works & Services Department to come fully prepared in the meeting to explain its position.

27. On 08/04/2009, the representative of Works & Services told the Committee, that out of the total five units only two were executed by Works & Services Department, and the rest were executed by Frontier Education Foundation itself. He further told that the Department had completed its works in Swabi District within stipulated period, while work at FEF Degree Collage for girls Chakdara was still pending, due to some dispute regarding payment of Bill sent to the FEF in 2006.

28. As there was difference in opinion of Works & Services Department, and Frontier Education Foundation, PAC, therefore, directed both to sit together and submit clear picture to it within 15 days. Para stands.

DP No.2.17 **NON-DEPOSIT OF FUNDS IN UNIVERSITY MAIN ACCOUNT WORTH Rs.1.014 MILLION.**

29. The Audit reported that in the University of Engineering & Technology, Peshawar, an amount of Rs.1.014 million was lying as balance on 30<sup>th</sup> June in various PLS accounts which was required to be transferred to the University main account.

30. The Department explained that the amount in question had been transferred to the relevant account.

31. In view of plausible explanation of the Department, the para was recommended to be dropped.

DP No.2.18 **UN-AUTHORIZED EXPENDITURE OF Rs.6,91,636/-**

32. The Audit reported that an expenditure of Rs.6, 91,636/- was incurred in Gomal University on repair of transport from private workshop whereas it had its own fully equipped auto workshop, hence the payment was unauthorized.

33. The Department explained that there was no well equipped workshop in University of D.I. Khan as contended by Audit and all repair works were carried out in private work shops after fulfilling all codal formalities.

34. The para was, therefore, recommended to be dropped with strict warning to Audit to abstain from reflecting such like paras without any justified grounds in future in order to save the precious time of PAC.

DP No.2.21 **UN-AUTHENTIC EXPENDITURE DUE TO NON SUBMISSION OF DETAILED ACCOUNT.**

35. The Audit reported unauthentic expenditure due to non submission of detailed account thereof.

36. The Department explained that the adjustment of the amount involved in the para had already been made which could be verified by Audit. Para stands for verification of record by the Audit.

DP No.2.22 **NON-PREPARATION OF ANNUAL FINANCIAL STATEMENTS.**

37. The Audit reported non preparation of annual financial statements by the University of Peshawar.

38. The Department argued that no such annual statement had been prepared in the past whereas the para had already been settled in the meeting of DAC. The Audit did not agree with the contention of the Department, therefore, the para was kept pending till 08/04/2009 for want of minutes of the meeting of the DAC/Pre PAC along with list of participants.

39. On 08/04/2009, the Department reiterated its previous stance and produced minutes in its support, it further told that no such statement had been prepared in the past and apprised the Committee that the computerization had been started and would be completed by 1<sup>st</sup> July of the year 2009. Audit coupled with Finance contended that preparation of annual financial statement was responsibility of the University under the Act and it had violated the provision of Act by not doing so.

40. The Chairman PAC lamented this state of affair and said that Peshawar University, being the largest in public sector in NWFP should have prepared its financial statement. The PAC as per assurance of the University of Peshawar recommended to complete annual financial statement by 1<sup>st</sup> January 2010 positively. Para stands. Progress be reported to PAC.

DP No.2.7 **NON DEPOSIT IN GOVERNMENT TREASURY-RS.8.773 (M).**

DP No.2.10 **LOSS DUE TO LESS REALIZATION OF RECEIPTS- RS.3.15 MILLION.**

41. The paras could not be discussed in the meeting, hence were kept pending.

**ELEMENTARY & SECONDARY EDUCATION DEPARTMENT.**

**OVERVIEW**

Ten (10) draft paras reflected in the Audit Report for the year 2004-05 were taken up for examination by the Public Accounts Committee (PAC) in its meeting held on 01/04/2009.

2. The PAC having considered Audit's point of view and explanation advanced by the Department made recommendations on each para as under:-

**DRAFT PARAS**

**DP No.2.1 IRREGULAR EXPENDITURE AND NON MAINTENANCE OF RECORD OF PROCUREMENT OF TEXT BOOKS Rs.221.401 MILLION.**

3. The Audit reported irregular expenditure and non maintenance of record of procurement of text books worth Rs.221.401 million. The Department explained that entire record i.e. stock register, actual payee receipts, sanction of the Finance Department for advance payment were available on record and could be verified by Audit. Para stands for verification of record by Audit within one month with the direction to submit the same to Assembly Secretariat for further action.

**DP No.2.2 IRREGULAR/EXCESS EXPENDITURE OF Rs.80.912 MILLION.**

4. The Audit reported irregular/excess expenditure of Rs.80.912 million. The Department explained that no excess expenditure was incurred. The Finance Department had authorized re-appropriation. The Finance Department accepted the contention of the Department that no excess expenditure was incurred. Subject to verification that no excess expenditure was incurred, the para was recommended to be dropped.

**DP No.2.6 IRREGULAR/UN-AUTHORIZED EXPENDITURE OF Rs.9.219 MILLION.**

5. The Audit reported irregular expenditure of Rs.9.219 million on account of purchase of furniture.

6. In view of explanation of the Department regarding closure of the project in 2004 and availability of inspection report of furniture/equipment supplied by Pak German wood working Center Peshawar, the para was recommended to be dropped.

**DP No.2.11 RETENTION OF GOVERNMENT MONEY AMOUNTING TO Rs.2.838 MILLION.**

7. The Audit reported retention of Government money amounting to Rs.2.838 million. The amount remained in a designated account in National Bank of Pakistan without any authority. The department admitted the audit observation and said that after clearing the contractor liability, the rest of the amount was deposited into Government treasury. The department could not advance any plausible explanation for retaining the amount for such a longer time. The Members observed that had the irregularity not been pointed out by Audit, the amount would have been kept in the account till date.

8. The PAC referred the case to the Sub-Committee already constituted on 30/03/2009 for detail scrutiny.

**DP No.2.12 BLOCKADE DUE TO UNNECESSARY PURCHASES OF Rs.2.66 MILLION.**

9. The Audit reported blockage of money amounting to Rs.2.66 million due to unnecessary purchases.

10. The Department explained that on the closure of the project, the vehicles and other equipments were returned to the Department.

11. The Committee observed that the funds pertained to Government of NWFP and the vehicles should have been surrendered to Administration Department. The para was, therefore, kept pending till 08/04/2009 for production of documents i.e. Nos. of vehicles available with the Department and approval of Transportation Committee.

12. On 08/04/2009, the para could not be discussed in the meeting.

**DP No.2.13 UN-AUTHORIZED EXPENDITURE OF Rs.2.348 MILLION.**

13. The Audit reported unauthorized expenditure of Rs.2.348 million.

14. In view of good quality of work experienced by the public at large and appreciated by the Members, the para was recommended to be dropped, however in future PC-I should be carefully prepared and work should be executed in strict compliance with the provisions of PC-I to avoid such audit objection.

15. The PAC also appreciated efforts of the Audit Department for minutely going through the documents and reporting irregularities/discrepancies in departmental accounts.

DP No.2.14 **NON-RECOVERY OF TENDER FORM FEE AND STAMP DUTY AMOUNTING TO Rs.1.931 MILLION.**

16. The Audit reported non recovery of tender form fee & stamp duty amounting to Rs.1.931 million from the contractors.

17. During the course of examination it was found that the Department had submitted different reply to the DAC from the one submitted to PAC. The PAC noted this state of affairs on the part of the Department by twisting the matter with grave concern. Since detailed and in-depth scrutiny was involved, hence the para was referred to the Sub-Committee already constituted on 30/03/2009 to thrash out the issue.

DP No.2.19 **IRREGULAR PAYMENT OF Rs.6,12,993/-.**

18. The Audit reported appointments/promotions in higher scale in violation to laid down rules at GHSS Lachi Kohat, which resulted an un-authorized payment amounting to Rs.612,993/- . The department could not advance any plausible explanation to support its contention. Since detailed and in-depth scrutiny was involved, hence the para was referred to the Sub-Committee already constituted on 30/03/2009 to thrash out the issue.

DP No.2.20 **LOSS OF RENTING OUT OF SHOP AT LESSER RATE THAN THE PREVAILING MARKET RATES AMOUNTING TO Rs.6,00,000/-.**

19. The Audit reported loss of renting out of shop at lesser rate than the prevailing market rates amounting to Rs.6,00,000/-.

20. The Department explained that there was no official record with regard to the rent/agreement of the shop available with it. It further explained that neither any rent had been received nor any notice for rent had been issued by the Department to the occupant so far.

21. The Committee, therefore, directed the Department to take up the case with Revenue Department to ascertain the factual position of its ownership. Para stands. Report be submitted to PAC within 15 days.

DP No.2.16 **WASTEFUL EXPENDITURE AMOUNTING TO Rs.1.206 MILLION.**

22. The Audit reported wasteful expenditure amounting to Rs.1.206 million on account of construction of (8) Nos. quarters for class-III & class-IV employees.

23. The Department explained that either the said quarters were lacking basic facilities or the local class-III & IV employees did not prefer to reside in these quarters.

24. The Committee asked the Department that why such like construction was made and a huge amount of Government was wasted. The Department could not satisfy the Committee.

25. The Committee, therefore, directed that Audit, Finance & the Administrative Department should conduct joint enquiry into the matter within 15 days & submit its report to PAC. Para stands.

## **ENVIRONMENT DEPARTMENT.**

### **OVERVIEW**

Twenty nine (29) draft paras reflected in the Audit Report for the year 2004-05 were taken up for examination by the Public Accounts Committee (PAC) in its meetings held on 02/04/2009 & 03/04/2009.

2. The PAC having considered Audit's point of view and explanation advanced by the Department made recommendations on each para as under:-

### **DRAFT PARAS**

DP No.3.1 **NON-DEPOSIT OF GOVERNMENT REVENUE AMOUNTING TO Rs.123.49 MILLION.**

3. The Audit reported non deposit of government revenue amounting to Rs.123.49 million on account of fines, sale of timber and Forest Development Fund. The amount was kept in unauthorized PLS accounts of the DFOs and not credited to the Government.

4. The Department explained that the entire amount of FDF lying in PLS account has been withdrawn and deposited into government account in National Bank of Pakistan. On a question by Mr. Abdul Akbar Khan, MPA as to whether the Department was authorized to keep the amount in PLS account, the department could not advance any plausible explanation. However it was added that new Ordinance was promulgated by the Government and accounting procedure was not clear, hence the amount was kept in PLS. The Finance Department contended that for opening PLS, prior concurrence of the Finance should have been obtained.

5. After detailed discussion, the PAC directed that an enquiry may be conducted as to why the amount was kept in PLS account without prior approval of the Finance Department. Para stands, progress be reported to PAC.

DP No.3.2 **UN-AUTHENTIC EXPENDITURE OF Rs.13.242 MILLION.**

6. The Audit reported unauthorized expenditure of Rs.13.242 million on food stamps, printed by Baitul Maal for encashment through Bank. However detail account regarding their encashment from bank and reconciliation statement with the bank and Baitul Maal was not produced for verification.

7. The Department explained that figures shown by the Audit were incorrect. It was added that since the project was closed on 30/06/2000, therefore, reconciliation of the account was impossible. The Audit contended that the para was discussed in DAC, wherein it was decided that reconciliation would be carried out with the bank and Baitul Maal.

8. Para stands for verification and reconciliation of the accounts in view of bank statement and Baitul Maal record.

DP No.3.3 **NON-RECOVERY OF GOVERNMENT DUES AMOUNTING TO Rs.8.992 MILLION.**

9. The Audit reported non recovery of government dues amounting to Rs.8.992 million on account of illegal transportation/cutting of timber pending in the Courts of law upto June 2004. The timber was deteriorating with the passage of time and loosing its market value.

10. The Department admitted the Audit version. It was added that the Magistracy system in Forest Department had been abandoned, it caused delay in disposal of the court cases.

11. The Chairman PAC pointed out that in such like issues, the Committee had issued direction to the Department to initiate legislation to streamline the system for speedy disposal, but regretted that the Department had shown no interest in initiating the legislation. The Committee, therefore, directed the Department to provide complete district wise lists of the pending cases, to Advocate General Office and Law Department within one week in order to approach the Hon,ble Chief Justice of Peshawar High Court Peshawar, to depute Judges to deal with only Forest cases on district level in order to dispose of pendency and to avoid losses to Government. Para stands. Progress be reported to PAC.

DP No.3.4 **UN-AUTHORIZED EXPENDITURE OF Rs.7.674 MILLION.**

12. The Audit reported unauthorized expenditure of Rs.7.674 million. The amount was released under the Governor's directives for establishment of Wildlife Park at Togh Managara, Kohat during 2002-03. The expenditure was incurred without the administrative approval and technical sanction and the work so carried out was also found substandard.

13. The Department could not produce formal technical sanction and administrative approval. Similarly enquiry reports were not available. The Finance Department also did not advance any cogent reasons for release of the funds without administrative approval and technical sanction.

14. Since detailed scrutiny was involved, hence the para was referred to the Sub Committee already constituted by the PAC on 30.3.2009 to thrash out the issue and submit its report within one month. Para stands.

DP No.3.5 **UN-AUTHORIZED ADVANCE PAYMENT TO CONTRACTORS AMOUNTING TO Rs.5.081 MILLION.**

15. The Audit reported unauthorized advance payment to contractors amounting to Rs.5.081 million for execution of work without the provision in the contract agreement. It was also contended that the building on which huge amount involved in advance paras 45,46, 122,124,125,126,127 and 128 had developed cracks. The Audit quoted a letter of the Principal of the School attached with the working paper in which the irregularities etc; were pointed out.

16. Keeping in view the sensitivity of the issue, the PAC constituted a Sub Committee consisting of the following Members to visit and check the site physically. The Principal who had made complaint, may also be invited to the meeting to explain the factual position:-

1. Syed Pir Sabir Shah, MPA, Chairman
2. Mr. Abdul Akbar Khan, MPA, Member
3. Syed Muhammad Ali Shah Bacha, MPA, Member
4. Mr. Mukhtiar Ali MPA, Member

DP No.3.6 **NON-DEPOSIT OF Rs.4.326 MILLION IN GOVERNMENT TREASURY.**

17. The Audit reported non deposit of Rs.4.326 million in Government Treasury.

18. The Department explained that the amount in question had already been deposited into Government Treasury.

19. Subject to verification of record, the para was recommended to be dropped. However, the PAC lamented that the Department had not produced record to Audit in time. Had the record been provided to Audit for verification, the para would have been settled and the time of the Committee would not have been wasted.

DP No.3.7 **UN-AUTHORIZED EXPENDITURE OF Rs.4.200 MILLION.**

20. The Audit reported unauthorized expenditure of Rs.4.200 million without obtaining technical sanction. The Department explained that PC-I was revised, that is why proper technical sanction could not be obtained.

21. The PAC directed that in view of DDWP minutes, ex-post facto approval of technical sanction may be obtained from the competent authority. Subject to approval of technical sanction, the para was recommended to be dropped.

DP No.3.8 **NON-DEPOSIT OF REMAINING BALANCE OF P-DEPOSIT RECEIPTS AMOUNTING TO Rs.3.82 MILLION.**

22. The Audit reported non deposit of remaining balance of P-deposit receipts amounting to Rs.3.82 million.

23. In view of the recommendation of the pre-PAC, the para was recommended to be dropped.

DP No.3.9 **UN-AUTHORIZED EXPENDITURE ON SOWING AND PLANTING AMOUNTING TO Rs.3.036 MILLION.**

24. The Audit reported un-authorized expenditure on sowing and planting amounting to Rs.3.036 million.

25. In view of the recommendation of the pre-PAC, the para was recommended to be dropped.

DP No.3.10 **NON-DEPOSIT OF GOVERNMENT REVENUE IN TREASURY AMOUNTING TO Rs.2.948 MILLION.**

26. The Audit reported non deposit of government revenue in treasury amounting to Rs.2.948 million.

27. The Department explained that the amount lying in P-deposit had already been transferred to Government Treasury.

28. Subject to verification of challans, the para was recommended to be dropped.

DP No.3.11 **NON-DEPOSIT OF Rs.1.928 MILLION IN GOVERNMENT TREASURY.**

29. The Audit reported non deposit of Rs.1.928 million in government treasury lying in joint account of the society. According to arbitration award announced on 24.4.2002, an amount of Rs.18,81,715/- was not deposited in the special account to start developmental work. Similarly sinorage fee was also not recovered from the society and deposited to government.

30. The Department explained that according to arbitration award, the MD of the Society had time and again been reminded for the transfer of the amount from joint account to special account but the MD of the society was not willing for transfer on the ground that the arbitration award was silent in that respect.

31. After detailed discussion, the PAC referred the para for further examination to the Sub Committee constituted on 30<sup>th</sup> March, 2009. The Department was directed to ensure the presence of the respective M.D. of the society in the meeting of the Sub Committee. The Sub Committee would also carry out physical verification of the site developed from developmental fund.

DP No.3.12 **NON-RECOVERY OF HOUSE RENT CHARGES AMOUNTING TO Rs.1.552 MILLION.**

32. The Audit reported non recovery of house rent charges of Rs.1.552 million from the occupants of the employees of the Police, Health and District Administration, who had occupied the accommodation of the Environment Department since May 1999.

33. The Department conceded the fact that the houses were occupied by the officers of the Police, Health and District Administration, without paying any house rent. The Department had made every effort to recover the dues but in vain. It was pointed out that few of the officers against whom recovery was involved, had passed away and few of them transferred to Federal Government.

34. The PAC taking very lenient view against the deceased officers recommended waiving off the recovery. However against the rest of the recovery, the Department was directed to take up the case with their parent Departments to get the amount recovered from the defaulters within one month.

35. The concerned D.F.O. pointed out that the said residences though vacant, were still in the occupation of the Police Department as Police Guards are still deputed therein. The PAC directed that the Department may take up the case with the respective organizations at a high level and get the occupation of its assets. The Police Department was also directed to vacate the residence of the Environment Department immediately. Progress be reported to PAC within one month. Para stands.

DP No.3.13 **LOSS DUE TO NON FORFEITURE OF SECURITY AMOUNTING TO Rs.1.090 MILLION.**

36. The Audit reported loss of Rs.1.090 million due to non forfeiture of security.

37. The Department explained that the amount had already been deposited into Government Treasury.

38. Subject to verification by Audit within two days, the para was recommended to be dropped.

DP No.3.14 **OVER PAYMENT ON ACCOUNT OF LOCAL SHARE AMOUNTING TO Rs.1.090 MILLION.**

39. The Audit reported over payment on account of local share amounting to Rs.1.090 million.

40. The Department explained that adjustment of royalty had been made.

41. Subject to verification by Audit, the para was recommended to be dropped.

DP No.3.15 **BLOCKAGE ON ACCOUNT OF NON DISPOSAL OF TIMBER AMOUNTING TO Rs.1.051 MILLION.**

42. The Audit reported blockage of Rs.1.051 million on account of non disposal of timber.

43. The Department frankly admitted that the timbers were dumped and lying under open sky, but it was within the custody of the locals and the Department was unable to get the same as it would create a lot of problems for the Government.

44. Keeping in view the sensitivity of the matter, the para was kept pending till the resolution of the dispute between the locals and Government. Para stands.

DP No.3.16 **LOSS DUE TO NON IMPOSITION OF PENALTY AMOUNTING TO Rs.8,73,250/-.**

45. The Audit reported loss due to non imposition of penalty of Rs.8,73,250/- on contractor on account of non completion of the work within the prescribed period. Neither extension was granted nor was 10% penalty affected. The Department conceded the Audit contention and said that sufficient security of the said contractor was lying with them and the amount of penalty as reported could be deducted. The PAC, therefore, directed that the amount of penalty may be deducted from the security and deposited into Government treasury and challans, may be got verified by the Audit. Moreover the Sub-Committee constituted on 02/04/2009, was also directed to visit the site for physical verification. Para stands for recovery of penalty, progress be reported to PAC.

DP No.3.17 **NON-RECOVERY OF EXTENSION FEE AMOUNTING TO Rs.4,45,768/-.**



46. The Audit reported non recovery of extension fee amounting to Rs.4,45,768/- from Forest Development Corporation. The Department explained that recovery had been affected which could be verified by Audit. Subject to verification of recovery by Audit, the para was recommended to be dropped.

DP No.3.18 **NON-DEPOSIT OF FORFEITED SECURITIES AMOUNTING TO Rs.4,39,640/-.**

47. The Audit reported non deposit of forfeited securities amounting to Rs.4,39,640/-. The amount was forfeited due to non-lifting of timber by the contractor. The Department explained that the amount was kept in P-deposit. Moreover, an enquiry was conducted through which the official involved had been dismissed from service and the amount had already been recovered from his emoluments. The PAC, therefore, directed that FIR may also be lodged against the culprit for non-depositing the Government money into Government treasury in time. The PAC lamented that the Department had not taken immediate action against the official involved and failed to implement the decision of the DAC made in September 2005. It further directed that action may also be taken against the officers who were responsible for delay in implementing the decision of DAC. Para stands, progress be reported to PAC.

DP No.3.19 **OVER PAYMENT ON ACCOUNT OF WATCH AND WARD Rs.4,25,000/-.**

DP No.3.20 **IRREGULAR EXPENDITURE OF Rs.3.66.000/-.**

DP No.3.21 **NON DEPOSIT ON ACCOUNT OF REPLANTING OF TREES AMOUNTING TO Rs.3.45,000/-.**

48. In view of plausible explanation of the Department the paras were recommended to be dropped.

DP No.3.22 **NON-DEPOSIT OF GOVERNMENT REVENUES IN TREASURY AMOUNTING TO Rs.2,77,486/-.**

49. The Audit submitted that the amount involved in the para has been recovered and verified, hence the para was recommended to be dropped.

DP No.3.23 **NON-RECOVERY OF FINES AMOUNTING TO Rs.2,55,899/-.**

50. The Audit reported non recovery of fines amounting to Rs.2,55,899/- imposed upon Forest Development Corporation for illicit cutting of 138.80 cft timber.

51. The Department explained that recovery in light of arbitration award had already been made.

52. Subject to verification of arbitration award and treasury challans, the para was recommended to be dropped.

DP No.3.24 **NON-DEPOSIT OF GOVERNMENT REVENUE IN TREASURY AMOUNTING TO Rs.2,48,000/-.**

53. The Audit reported non-deposit of Government revenue amounting to Rs.2,48,000/- in treasury rather it was kept unauthorizedly in P-deposit.

54. The Department explained that the amount involved in the para had been transferred to proper head of account.

55. Subject to verification of challans, the para was recommended to be dropped.

DP No.3.25 **NON-RECOVERY AS A RESULT OF INQUIRY REPORT AMOUNTING TO Rs.2,36,002/-.**

56. The Audit reported non recovery of Rs.2,36,002/- due to stolen iron and barbed wire etc. The Department explained that inquiry in this case was conducted. 10 persons were involved in the misdeed. Recovery from 9 persons had been affected whereas only one person was required to deposit his share. The PAC directed that the balance amount may be recovered from the culprit immediately and deposited into Government treasury. The recovery may be got verified by Audit. Para stands till complete recovery and verification.

DP No.3.26 **UN-AUTHORIZED EXPENDITURE OF MEDICAL RE-IMBURSEMENT CHARGES AMOUNTING TO Rs.2,12,277/-.**

57. The Audit reported unauthorized medical reimbursement of Rs.2,12,277/- paid to the employees of the project out of developmental schemes exhibited under ADP 2003-04. No provision of medical charges was made in the respective schemes, hence the expenditure was irregular.

58. The Department explained that the staff recruited/deputed in the projects for execution of the programme, were entitled to draw the reimbursement claims.

59. After detailed discussion the PAC directed that it may be ascertained as to whether the reimbursement was made from developmental work or from medical fund provided in the budget and it was paid only to the project employees or to the officers working in the headquarter. If it was found that the reimbursement was made from developmental work and to the persons other than the project employees, then the same may be recovered immediately. However, if it was established that the amount was paid from "medical head" of the scheme to the project employees than the para will be considered as dropped.

DP No.3.27 **NON-RECOVERY OF RENEWAL FEE OF SAW MACHINES AMOUNTING TO Rs.1,77,000/-.**

60. The Audit reported non-recovery of renewal fee of Rs.1,77,000/- of 59 Saw Machines.

61. The Department explained that renewal fee had already been recovered.

62. Subject to verification that recovery was made, the para was recommended to be dropped.

DP No.3.28 **LOSS DUE TO ISSUANCE OF SAPLINGS FREE OF COST AMOUNTING TO Rs.1,18,935/-.**

63. The para was recommended to be dropped in view of plausible explanation by the Department.

DP No.3.29 **IRREGULAR EXPENDITURE ON PURCHASE OF FRUIT PLANTS AMOUNTING TO Rs.1.06.000/-.**

64. Subject to verification of actual payee receipts, the para was recommended to be dropped.

**GENERAL**

65. During the course of discussion it was pointed out by Audit that huge amount was lying in the P-deposit of various departments. The Government money needed to be deposited into treasury. It was also added that there were unauthorized accounts maintained in certain Government organizations in which huge Government money was lying without any utilization. The Committee, in order to streamline the system and to know the factual position, directed the Director General, Audit to conduct special Audit of the Government Organizations about unauthorized accounts and amount lying in P-deposit. The Director General, Audit assured that they would conduct special Audit within a period of three months.

**HEALTH DEPARTMENT.**

**OVERVIEW**

Forty two(42) draft paras reflected in the Audit Report for the year 2004-05 were taken up for examination by the Public Accounts Committee (PAC) in its meetings held on 07/04/2009, 08/04/2009, 10/04/2009, 04/05/2009 & 06/05/2009.

2. The PAC having considered Audit's point of view and explanation advanced by the Department made recommendations on each para as under:-

**DRAFT PARAS**

**HAYATABAD MEDICAL COMPLEX, PESHAWAR.**

DP.No.8.3 **NON-DEPOSIT OF HOSPITAL RECEIPTS AMOUNTING TO Rs.7.709 MILLION.**

3. The Audit reported that in the following offices of Health Department a sum of Rs.7.709 million realized on account of various Hospital receipts, were not credited to Government accounts/bank as required under the rules:-

- |    |                          |                |
|----|--------------------------|----------------|
| 1. | H.M.C Peshawar           | 4.104 million. |
| 2. | LRH Peshawar.            | 2.089 million. |
| 3. | DHQ Hospital Abbottabad. | 0.691 million. |

- |    |                          |                |
|----|--------------------------|----------------|
| 4  | DHQ Hospital Lakki.      | 0.467 million. |
| 5. | Police Hospital Peshawar | 0.234 million. |
| 6. | DHQ Hospital Karak.      | 0.124 million. |

4. At the first instance it was noted by the committee that a sum of Rs.7.709 million realized on account of 6 hospitals were not credited to Government account. The Department instead of submitting a consolidated reply in respect of Audit observations of every hospital submitted piecemeal reply about the said hospitals. Moreover, the Department was not ready to properly respond to the Audit objection. The para was therefore, deferred with the observations of PAC that consolidated reply may be prepared for the whole para and submit the same to the Assembly Secretariat within 15 days for placing it before the PAC.

5. The para was again discussed by the Committee on 06/05/2009, the break-up of which is as under:-

6. The Director Finance HMC explained that the Audit observation envisaged in the Draft Para under discussion basically pertained to three advance paras i.e. 204, 205 and 434, in which a sum of Rs.3,67,783/-, Rs.35,49,920/- and Rs.1,86,182/- was respectively involved. As regards Rs.3,67,783/- (Advance Para No.204) the Department explained that recovery had been made and deposited into Government treasury. It produced record which was verified by Audit, hence the para was recommended to be dropped.

7. About Rs.35,49,920/- (Advance Para No.205) it was explained that an amount of Rs.10,76,628/- had been deposited into NIDA-22 whereas an amount of Rs.24,73,292/- pertained to 20% share of the Hospital were expended during the Institutional Based Private Practice. It added that detail of expenditure and original record was available. The Committee, therefore, directed the Department to submit complete record to Audit for verification within a week, para to this extent stands. Progress be reported to PAC.

8. As regards the issue involved in Advance Para No. 434 (Rs.1,86,182/-), it was contended that the figures reported by Audit was incorrect and there was a difference of more than Rs.1,00,000/-, record of which was available and could be shown to Audit for verification. (This portion stands for verification of Audit with the direction to the Department to submit complete record to the verification team during this week).

9. Record was produced to the Verification of Record Committee on 15-05-2009 which was duly verified by Audit, hence this portion of the Para was recommended to be dropped.

#### **LADY READING HOSPITAL**

10. About LRH accounts, it was contended that the para had two parts one pertained to OPD Khoka which involved Rs.1,04,000/- and the other related to Blood Bank involving Rs.19,85,430/-. With regard to OPD Khoka, it was clarified that it was decided by a Committee of the Hospital to establish a Khoka for facilitation of OPD patients. It was also decided that the rent of Khoka would be spent on the welfare of the OPD. However on taking notice by Audit, the practice was discontinued. When asked by the Member that under, what law the amount was expended, the Department could not respond properly. The Members objected that as per Article of the Constitution of Islamic Republic of Pakistan and under Rule-7 of the CTR the amount should have been deposited in to Government Treasury. Mr. Abdul Akbar Khan, MPA termed it as gross violation of law, and proposed that strict warning may be issued to all those who grossly violated the rules/law.

11. The Medical Superintendent of LRH explained that it was started with good intentions with out causing any loss to Government. However, the same was discontinued after the Audit objection was raised.

12. The PAC taking a lenient view recommended that strict warning may be issued to all those who grossly violated the rules/law and to avoid such practice in future.

13. As regards the amount involved in blood bank, it was contended that FIR had been lodged against one Jr. Clerk of Blood Bank, LRH. He came under trial and imprisoned for 4 years with recovery of 2.00 million by the NAB. The Committee observed that only a clerk was made a scapegoat and fixed all the responsibilities upon him, if he was so much responsible then what was the responsibility of the Blood Bank officer? Was he not responsible to see the work of his subordinate? Apparently, he could not be absolved of the responsibility. The Committee was shocked to know that Junior Clerk had not yet been removed from service and the case was hanging between D.G. Health and the Hospital Administration Officers therefore it recommended that this issue be disposed of immediately by the concerned quarter, however for detailed scrutiny this portion of the para was referred to Sub Committee already constituted on DP. No.8.5.

#### **DHQ. HOSPITAL. ABBOTTABAD.**

14. With regard to DHQ Hospital, Abbottabad (for Rs.0.691 million), the Deputy Medical Superintendent of the Hospital explained that the case was under trial in the Anticorruption Court. The Deputy Secretary Law said that Departmental proceedings should have been started, simultaneously which was not done. The Members observed that the financial mechanism of the Hospital

was so poor due to which bogus challans were produced and it was accepted by the officer responsible. This portion of the para was also referred to Sub Committee already constituted for detail scrutiny.

#### **DHQ, HOSPITAL, LAKKI.**

15. Regarding DHQ Lakki Marwat (Rs.0.467 million), the para was referred to Sub Committee, as the M.S. was not in a position to satisfy the Committee.

-

#### **POLICE HOSPITAL, PESHAWAR.**

16. In respect of Police Hospital Peshawar, the Department admitted the Audit contention and explained that Departmental proceedings were carried out and the case was referred to Anti-Corruption establishment which convicted the responsible clerk and penalty of 4-years imprisonment was imposed upon him. He filed an appeal in the High Court to review the case which set-aside the case and he has been re-instated and working in the Food Laboratory.

17. The Deputy Secretary, Law Department, pointed out that Court had acquitted the said clerk on the grounds that he was not entrusted with the job of receiving money from different Departments.

18. The PAC, therefore, recommended recovery from the Controlling Officer, after fixing responsibility who had not done justice to his duty and due to his negligence Govt. was put to loss. Para stands upto this extent, progress be reported to PAC.

#### **DHQ, HOSPITAL, KARAK.**

19. About DHQ Karak (Rs.0.124 million), the Medical Superintendent of the hospital contended that the amount had been recovered and deposited into Government treasury, hence the para was recommended to be dropped up to this extent.

#### **DP.No.8.33 LOSS DUE TO PURCHASE ON HIGHER RATES WORTH Rs.2,48,000/-.**

20. The Audit reported that in Hayatabad Medical Complex Peshawar tenders were called for the supply of two delivery tables during 2002-03. The lowest rate of Rs.6,000/- per table offered by a firm was ignored. Similarly the rate of other 15 bidders were not accepted and the highest rate of Rs.1,30,000/- per table was accepted putting the Government into a loss of Rs.2,48,000/-. The issue, when pointed out by the Audit was not replied by the Department. It was discussed in the DAC in 2005 wherein, the Department contended that purchase was made on quality basis, however, DAC did not agree with the Department version and directed for fixing responsibility of purchasing the items on abnormal high rates and directed recovery for the loss accrued to the Government.

21. The Department advanced the same reason to the PAC as was earlier advanced to the DAC. The Department could not support its version and failed to satisfy the members of the PAC. The Committee in such circumstances upheld the decision made by the DAC and directed the Department to implement the same and ensure recovery within two months. Para stands and progress be reported to PAC.

#### **DP.No.8.35 LOSS DUE TO SUPPLY OF SHORT/EXPIRED MEDICINES AMOUNTING TO Rs.2,06,488/-.**

22. The Audit reported that in HMC certain injections costing Rs.2,06,488/- could not be used and got expired thus putting the Government to a substantial loss. The issue was discussed in the DAC meeting where the Department contended that the injections could not be used on the reason that the doses of vaccines were required to be administered after one month interval. DAC did not agree and directed to conduct enquiry, fix responsibility and effect recovery. The Department could not advance any plausible explanation to the PAC, therefore, the Committee upheld the decision of the DAC directing the Department to implement the same within one month. Para stands progress be reported to PAC.

#### **DP.No.8.37 LOSS DUE TO SHORT SUPPLY AMOUNTING TO Rs.1,95,250/-.**

23. The Audit reported that in HMC certain equipments costing Rs.1,95,950/- were found short as verified from the delivery challans. The Government was put to substantial loss. The issue was discussed in DAC wherein it was directed to effect recovery.

24. The Department admitted the short supply of the equipment. During the course of discussion, the Finance coupled with Audit pointed out that under the GFR, para 148, bill for payment of the item is sent to the Accountant General only after receipt of the intended equipment and a certificate to this effect is made on every bill. It appears that the Department at the time of submission of the bill to the A.G, when the items were not received, tried to deceive the concerned quarter by giving a false certificate. The Department contended that when the short supply was noticed by the hospital authorities, payment to the contractor was reduced to actual supply and no payment for short supply was made. Moreover, CDR in the name of administrator HMC had

been obtained from the contractor, which would be cashed in favour of hospital and would be deposited into the Government treasury.

25. The PAC did not see any force in the contention of the Department as the same explanation was advanced during the DAC meeting and upheld the decision of the DAC with further direction to black list the respective firm. It further directed that action may also be initiated against the officer who failed to implement the decision of the DAC in time. Para stands, progress be reported to PAC.

**DP.No.8.39 MISAPPROPRIATION DUE TO NON-SUPPLY OF MEDICINES AMOUNTING TO Rs.1,88,200/-.**

26. The Audit reported that in the HMC an amount of Rs.1,88,200/- was incurred on the purchase of certain injections in 1999-2000. The supply was not made till 2001.

27. The matter was discussed in the DAC meeting wherein the Department replied that cheque was still lying with them. DAC did not agree and directed that action should be taken under the E&D rules for giving fake certificate on the bill to the effect that the item has been received, drawing the amount in advance in anticipation of the actual receipt of item and retaining it for long period of 5 years. DAC further directed to credit the amount into Government treasury.

28. The Department submitted almost the same reply as advanced to DAC which was not accepted. No fresh material and plausible explanation was provided to convince the PAC. Violation of GFR as contended by the Audit coupled with Finance was established therefore, the PAC upheld the decision of the DAC directing the Department to implement the same with in one month positively. Para stands progress be reported to PAC.

**DP.No.8.42 LOSS DUE TO PURCHASE ON HIGHER RATES AMOUNTING TO Rs.1,05,566/-.**

29. The Audit reported that in Hayatabad Medical Complex, Peshawar, an expenditure of Rs.9,31,280/- was incurred during 2002-03 on the purchase of various laboratory kits of Hepatitis C Vaccine. The purchases were made on higher rates. Thus the Government was put to a loss of Rs.1,05,566/-.

30. The Department explained that HCV Kits were of good quality and purchased according to procurement rules.

31. Since the issue required in depth scrutiny of purchasing the items on quality basis instead of lowest rate and to avoid misuse of the phrase "quality basis purchase" it was directed by the PAC to place the issue before the law Reforms Committee for further study.

32. However, with regard to the present Audit para and the Department version, the PAC directed that the Audit, Finance and Department should sit together and examine the procurement rules and if it was proved that the purchase was valid in view of the said rule then the para would be considered as dropped otherwise it would stand for implementation of the decision of the DAC.

**Follow up of Draft Paras No. 8.33,8.35,8.37,8.39 and 8.42 (2004-05).**

33. On 06-05-2010 while discussing the Finance Accounts pertaining to Health Department, the Committee was informed that the said Paras were discussed in the PAC meeting held on 07-04-2009 in which the PAC upheld the decisions of DAC and directed the Department to implement the decisions of DAC. For implementation of the directives of PAC, chain of correspondence was made with the Department but with no result.

34. During the meeting of appropriation accounts held on 29-04-2010, the PAC directed the Department to come up with revised working paper pertaining to follow up/progress of the above mentioned Draft Paras.

35. The Department submitted follow up working paper before the Committee wherein it was found that the Department had not made any progress to implement the directive of PAC.

36. The Committee felt this state of affairs with grave concern and told that if the Department was not serious to implement the directives of PAC then the purpose of meetings of PAC had no effect. Therefore, it extended a last opportunity to the Department to implement the directives of the Committee in letter & spirit within ten (10) days failing which recovery would be made from the salaries of the responsible. For this purpose a Committee was constituted comprising the following to conduct inquiry, fix responsibility and submit its report to the PAC with-in ten (10) days for its consideration:-

1. Special Secretary Health
2. Director General Health
3. Deputy Secretary, Finance Department

4. Deputy Director, Audit

-

**GOVERNMENT LADY READING HOSPITAL, PESHAWAR.**

**DP.No.8.2 NON-RECOVERY OF UTILITY CHARGES AMOUNTING TO Rs.9.647/- MILLION.**

37. The Audit reported non recovery of utility charges amounting to Rs.9.647 million from doctors and nurses residing in the hostels during 1999-2000. The issue was discussed in the DAC meeting wherein the Department contended that the hostels were occupied by the house job officers who were exempted from such charges. The Department could not advance any plausible explanation except saying that such facilities were available to the doctors/nurses in Baluchistan. The Audit pointed out various decisions of the erstwhile PAC, wherein the Department was directed to make recovery in such like cases besides making corrective action to stop such a practice in future. The members were very disappointed over the performance of the Health Department for taking the PAC decision very light.

38. Since the Department insisted that many problems in this issue are involved therefore, it was decided to refer it to the Sub-Committee consisting of Mr. Abdul Akbar Khan, Mr. Muhammad Zamin Khan and Mr. Saqib Ullah Khan Chamkani, MPAs to thrash out the issue. Para stands and the committee was directed to submit its report in 30 days.

**DP.No.8.30 NON -ACCOUNTAL OF STORE WORTH Rs.2,98,616/-**

39. The Audit reported that in LRH, Peshawar an expenditure of Rs.6,64,946/- was incurred on the purchase of medicine during 1998-99. The medicines worth Rs.2,98,616/- were found less accounted for in the stock register as well as in the expense register. The issue was discussed in the DAC meeting in 2001 wherein the Department admitted that supplies were made late. The DAC directed for production of stock register but with no action from the Department.

40. The Department admitted short supply however, contended that later on the supply was made good. The PAC observed that para 148 of GFR which says that all material received should be examined, counted, measured or weighed as the case may be, when delivery is taken and they should see that the quantity is correct and quality is good and record a certificate to that effect by the officer receiving the store, was absolutely violated. However, since minute scrutiny was involved in the issue under discussion, therefore, the PAC referred the para to the Sub-Committee already constituted in DP.No.8.2 for further deliberation with the direction to submit its report within one month.

**DP.No.8.32 LOSS DUE TO ALLOWING HIGHER RATES AMOUNTING TO Rs.2,81,203/-**

41. The Audit reported that in lady Reading Hospital Peshawar, an expenditure of Rs.11,47,899/- was incurred in purchase of electrical, gas and sanitary items during 1999-2000. While determining the item rates, premium ranging from 21% to 40% was also included which was not correct because item rates were based on evaluation of actual prevailing market rates. Allowing premium on prevailing market rates was not justified. Thus the Government was put on a loss of Rs.2,81,203/-.

42. The issue was discussed in DAC meeting held in June 2005 wherein and the Department was directed to fix responsibility and affect recovery.

43. The Department advanced the same reply as was given to the DAC. PAC, therefore, upheld the decision of DAC and directed to implement the same within one month. Para stands. Progress be reported to PAC.

**KHYBER TEACHING HOSPITAL.**

**DP.No.8.13 NON-RECOVERY FROM THE CONTRACTOR AMOUNTING TO Rs.1.969 MILLION.**

44. The Audit reported non recovery of Rs.1.1969 million from the contractor in Khyber Teaching Hospital.

45. The PAC did not accepted the explanation advanced by the Department, and lamented as to why it was not affected in time, according to the agreement made with the contractor, such affairs of non recovery of Government dues in time clearly shows the inefficiency and negligence, on part of the officers responsible. The PAC, therefore, recommended that responsibility may be fixed and recovery of the balance amount may be made from the concerned coupled with disciplinary action under E&D rules for negligence. Para stands progress be reported to PAC.

-

**DHQ HOSPITAL CHARSADE**

**DP.No.8.22 LOSS DUE TO PURCHASES AT HIGHER RATES WORTH Rs.5,76,050/-**

46. The Audit reported that in Ayub Teaching Hospital Abbottabad, DHQ Mardan, and DHQ Chrasadda Hospital, lowest rates offered by the suppliers were rejected and purchases were made at higher rates, which resulted into a loss of Rs.5,76,050/-.

47. The PAC noted with heavy heart that the Audit has included three different hospitals into one para despite clear instructions issued to Audit in 1997-98 report to the effect that separate para should be reflected in respect of each lower formation. In the present case it is not clear as how much amount is involved against each individual hospital. The PAC, therefore, again directed that instructions contained in 1997-98 PAC report duly approved by the Assembly, must be honoured in letter and spirit to avoid complication as confronted to PAC now.

48. As regards the present para, the Audit was directed to split it and show to the PAC the actual Audit objection in respect of each hospital, so as to know the quantum and nature of irregularity or illegality, the Para was, therefore, deferred.

49. While going through the documents presented to the Committee by the Department, it was admitted by the Department, that no record in respect of Audit para was available as the then Head Clerk, now posted in HMC, had not handed over the charge of Audit Notes to his substitute, despite direction by the office time and again. Moreover FIR was also lodged against him, besides bringing the facts into the notice of Secretary Health and D.G. Health.

50. The PAC lamented on this state of affairs going on in the Department and observed that what a powerful Clerk, he was that the Department could not take action against him. This was the responsibility of the officers sitting at the helms of affairs to have put such employee to task at the time when the issue was reported, but regretted that the sitting officer did not bother to take any punitive action as it was a clear cut case of misconduct.

51. Keeping the para aside, the PAC directed the Department that the said Head Clerk must be suspended from service forthwith for not handing over the record to office and suspension order should reach the Assembly Secretariat by tomorrow positively.

52. On 04/05/2009, the para was again placed before the Committee for examination. The Committee observed that the para related to three different Hospitals in NWFP, therefore, the Audit was directed to bring separate paras regarding each Hospital i.e. Ayub Teaching Hospital Abbottabad, DHQ Hospital Mardan and DHQ Hospital Charsadda.

#### **DHQ HOSPITAL, D.I. KHAN.**

DP.No.8.27 **NON-ACCOUNTAL OF MEDICINES AMOUNTING TO Rs.3,64,350/-**

53. In view of plausible explanation that double drawal was not made, the para was recommended to be dropped.

#### **DHQ HOSPITAL, MARDAN.**

DP.No.8.23 **LOSS DUE TO NON-RECOVERY OF RENT WORTH Rs.5,05,025/-.**

54. The Audit reported loss of Rs.5,05,025/- due to non recovery of rent of cycle stand situated in DHQ Hospital Mardan since 1997 to 2000. In DAC meeting held in July 2005 the Department replied that Rs.1,55,832/- had been recovered and the balance would be recovered from the Contractor. The Department admitted the Audit contention and said that recovery from one contractor was made and deposited into Government treasury. Recovery from another contractor Mr. Mirza Shah was awaited and the case had been taken up with the police Department but with no result so far.

55. Mr. Abdul Akbar Khan apprehended that had the loss not been reported by the Audit, the amount would have gone. He further said that rent was always recovered on monthly basis in advance and there might be contract agreement with the contractor. The M.S. of the Hospital admitted that the amount was to be paid by the contractor on monthly basis in advance. When asked by the Member that how such a huge amount was accumulated against the contractor, was there no responsible officer in the Hospital to have realized non depositing of the amount by the contractors, the Department could not advance any cogent reason for this drastic negligence. It was apprehended by the Committee that such loss was made due to connivance of the hospital management.

56. The PAC was shocked to know that the loss was then raised to almost Rs.29 lacs due to irresponsible attitude of the hospital management. It therefore, directed that all the Medical Superintendents of the Hospital, during whose period the loss made to the Government, be suspended forthwith and the para was referred for further examination to Sub Committee already constituted in DP.No.8.2 for detail scrutiny. The Committee will submit its report within one month. Para stands.

#### **DHQ HOSPITAL, KOHAT.**

DP.No.8.12 **LOSS DUE TO PURCHASE OF SUB-STANDARD MACHINERY WORTH Rs.3.437 MILLION.**

57. The Audit reported that in DHQ Hospital Kohat ETT machine and holster monitor costing Rs.2.437 million were purchased from two firms during 1999-2000 under Health Care Development Project. The machines were issued to Cardiac Care

Unit on 11/09/2000 and 04/10/2000 respectively. However, the Cardiologist reported on 06/06/2001 and 20/11/2001 that the machines were not functioning properly. Neither the machine was got replaced nor the amount recovered from supplier and as such the Government was put to heavy loss.

58. The Director General Health and MS of the Hospital said that the ETT machine was purchased by Third Health Project. When it was provided to the Hospital, there was no provision to install the same. It was lying idle for almost one and a half year. Later on, it was installed, but it did not work for a single day. The officer pointed out that the Cardiologist being the end users did not give any certificate rather complained that the machine was not working. The PAC was shocked to now the misdeed, therefore, directed that loss to the tune of ETT machine may be recovered from Members of the inspection committee which carried out inspection after the receipt of equipment and certified that these equipments OK, within two months as due to their negligence the Government was put to heavy loss. Progress be reported to PAC. Para stands.

59. As regards the holster monitor, the Department certified that the same was functioning properly. The PAC accepted the contention of the Department and dropped this observation made by the Audit.

DP.No.8.18 **LOSS DUE TO NON-DEDUCTION OF RENT AND UTILITY CHARGES AMOUNTING TO Rs.8,33,54/-.**

60. The Audit reported loss of Rs.8,33,544/- due to non deduction of house rent and utility charges from the doctors of the hospital occupying the Government accommodation. The Department explained that major recovery had been made however, due to transfer of doctors to other districts, the KTH Peshawar was not in a position to recover the same from them as the said doctors were not getting their salaries from KTH, Peshawar. Their LPCs had been sent to the respective places of posting of the doctors and now they were under obligation to get the same recovered.

61. The PAC directed the DG Health that since all the doctors were under the control of the Health Department therefore, the Department may recover the outstanding amount from the respective doctors immediately and report be submitted to PAC. The Hospital Management should furnish details of the Doctors to D.G. Health. Para stands. The recovery already made may be got verified by Audit.

DP.No.8.21 **NON-RECOVERY OF GOVERNMENT RECEIPTS AMOUNTING TO Rs.6,18,270/-.**

62. The Audit reported that in DHQ Hospital Kohat, 84 kits meant for different tests were used during 2000-2001. 84 kits had a total capacity for carrying out 23240 tests, however, the laboratory stock register showed that only 10203 tests were conducted and the entire 84 kits were used. This resulted a loss of Rs.6,18,270/-. On a question by the Member from the Audit that on what basis they had worked out the capacity of the said tests, the Audit replied that formula was clearly prescribed on the kit box and on the basis of that formula the loss had been worked out.

63. The Department replied that it was a technical issue and they had a report of the pathologist under which different tests required different quantity of kits. The PAC did not agree and directed that Inter Departmental Enquiry Committee, consisting of the representatives of the Department, Audit and Finance may conduct inquiry in the issue and report be submitted to PAC for further examination within one month. Meeting of the enquiry committee may be convened by the Administrative Department. Para stands.

DP.No.8.10 **IRREGULAR EXPENDITURE AMOUNTING TO Rs.3.193 MILLION.**

**KHYBER MEDICAL COLLEGE, PESHAWAR.**

64. Since different formations were involved hence the para was deferred with the direction to the Audit to separate their Audit observation in respect of each formation enabling PAC to arrive at a just decision.

**SAIDU MEDICAL COLLEGE, SWAT.**

65. The para was kept pending for the production of letter by the Finance Department under which the basic science allowance was not admissible in vacations.

**AYUB MEDICAL COLLEGE, ABBOTTABAD.**

66. The Audit reported unauthorized withdrawal of Rs.1,10,100/- on account of non practicing allowance. The Department contended that they have stopped payment of NPA and teaching allowance during leave period since April, 2008. The Department admitted the unauthorized drawl. The PAC, therefore, directed that the same may be recovered from individuals within two months. Para stands and progress be reported to PAC.



DP.No.8.8 **NON-RECOVERY OF STUDENTS ADMISSION/TUITION FEE Rs.5.30 MILLION.**

67. The Audit reported that in AMC Abbottabad dues amounting to Rs.5.30 million for the academic session 2001-2002 & 2002-03 were not realized. The Department said that the total amount except Rs.16,965/- had been recovered. Explaining the reason for non recovery of Rs.16965/- it was said that the student was absent on account of accident and therefore, he did not attend the classes and the Principal had exempted him from paying the fee as per provision of the prospectus.

68. The PAC accepted the explanation of the Department to this extent. However, with regard to rest of recovery, it directed that an enquiry may be conducted and fix responsibility against the officer involved for non-recovering the Government dues in time. Para stands for the report of the enquiry.

-

-

**DHQ HOSPITAL. LAKKY MARWAT.**

DP.No.8.9 **NON-PRODUCTION OF AUDITABLE RECORD AMOUNTING TO Rs.5.121 MILLION.**

69 The Audit reported that in DHQ Hospital Lakky Marwat auditable record in support of expenditure of Rs.5.121 million incurred during 1998-99 and 2000-01 was not produced. When pointed out it was replied that the same was taken away by the Anti-corruption Department. The Department was not clear as some time they were saying that the record was taken away by a clerk against whom case was pending in the NAB and some time they were saying that the record was with the Anti-corruption Department. The PAC apprehended that non-availability of record and allegations only against a clerk leads to many suspicion, therefore, it directed that the para may be deeply examined by the Sub-Committee already constituted in DP. No.8.2 to know as to who was involved in the misdeed.

DP.No.8.15 **LOSS DUE TO THEFT OF PUBLIC PROPERTY AMOUNTING TO Rs.1.623 MILLION.**

70 The Audit reported that in DHQ Hospital Lakky Marwat residences were constructed during 1987-88 which remained unoccupied till 2001 resulting in theft of sanitary and electrical items. The Department admitted the Audit observation and said that PC-IV was completed in 2004-05, and till that time the residences were with the contractor. However, at present the said residences were being utilized by the polytechnic Institute Lakky Marwat.

71 The Committee apprehended that the residences might not be required by the hospital hence the same were not occupied by the officials/officers till this day. The DG/MS of the hospital pointed out that at the time of construction of the site, there was strong resentment amongst the officials of the hospital that the site was far away and that too in a desert. Area was available inside the hospital but the same was not selected. Time and again they have written to the officers sitting at the helm of affairs and voiced against such unfeasible construction but with no result.

72 The Finance Department said that this was a serious issue of bad planning due to which Government was put to substantial loss. It was suggested that it is to be seen that:-

1. How planning of construction of residences was started.
2. How many areas were identified?
3. Who selected the present area and with what justification and who approved the same when there were resentments amongst the end users.
4. When was construction completed?
5. When final payment was made and PC-IV prepared. If it was proved that final payment was made in 1987, then it needs to be ascertained as to who were residing in the accommodation till 2004.

73 The PAC therefore, directed that the issue may be referred to the Provincial Inspection Team to conduct an enquiry into the whole case and submit report to the PAC. Para stands.

DP.No.8.19 **MISCLASSIFICATION OF AMOUNT OF Rs.6,89,800/-.**

74 The Audit reported misappropriation of Rs.6,89,800/- on account of electricity. During the course of discussion the representative of Finance Department apprehended that payment was made on fake bills and the EDO concerned was equally responsible. The Department could not provide any satisfactory reply hence the para was referred to the Sub-Committee already

constituted in DP. No.8.2. The Audit coupled with the Finance Department was directed to frame issues regarding this para, so as to proceed further in the matter to facilitate the job of the Sub-Committee. Para stands.

#### **KHYBER TEACHING HOSPITAL**

##### **DP.No.8.16 NON-ACCOUNTAL OF X-RAY FILMS Rs.1.240 MILLION.**

75. The Audit reported that in Khyber Teaching Hospital, Peshawar, 940 packets of X-Ray films size 12" x 15" were received during 2003-04, out of which, 588 packets were taken on stock whereas 352 packets valuing Rs.12,40,800/- were neither accounted for in the stock register nor its consumption account was produced.

76. In the DAC meeting held in December 2005, the Department replied that all the X-Ray films had been taken on stock. DAC directed to produce the consumption record of X-Ray films, but no further progress was intimated.

77. The Department explained that all the X-Ray films had been taken on stock register properly and photocopies of the register were produced to the Committee.

78. The PAC recommended the para to be dropped subject to verification of complete record regarding entry in stock register and consumption of X-Ray films in question.

79. Record was produced to the Verification of Record Committee on 15-05-2009 which was duly verified by Audit, hence this portion of the Para was recommended to be dropped.

##### **DP.No.8.26 NON -RECOVERY OF ELECTRICITY CHARGES Rs.3.68,000/-.**

80 The Audit reported that in Khyber Teaching Hospital, Peshawar 92 Air conditioners were installed in the Doctor's flats during summer season 2003-04. An amount of Rs.3,68,000/- due on account of electricity charges was not recovered from the occupants of the flats.

81 The Department explained that on introduction of installation of separate meters (check meters), the doctors (occupants of the flats/rooms) protested and went on strike. The administration decides not to recover the said amount which was still outstanding.

82 The PAC not agreeing with the explanation advanced by the Department, up held the decision of DAC and recommended recovery from the concerned doctors within a month. Para stands, progress be reported to PAC.

##### **DP.No.8.36 NON-DEPOSIT OF Rs.2,05,000/- INTO GOVERNMENT TREASURY.**

83 The Audit reported that in Khyber Teaching Hospital, Peshawar Rs.6,04,414/- patients availed the facility of OPD and Casualty at the rate of Rs.5 per patient during 2003-04. An amount of Rs.28,17,000/- was deposited instead of total amount of Rs.30,22,000/-. Thus Rs.2,05,000/- was not deposited into Government account.

84 The Department explained that an inquiry was conducted and after checking the details, the enquiry officer reported that non deposited amount was Rs.90,880/- instead of Rs.2,05,000/-.

85 The Director General, Audit objected that audit was carried out in February 2005 while the inquiry in question was conducted in 2004. If the enquiry report was available, why it was not shown to Audit at the time of audit and during DAC meeting. Moreover, it was also pointed out that DAC had not directed to conduct any inquiry. The PAC in such circumstances turned down the inquiry report and directed to recover the full amount in question within three (3) months after fixing responsibility. Para stands, progress be reported to PAC.

#### **AYUB TEACHING HOSPITAL ABBOTTABAD**

##### **DP.No.8.04 LOSS DUE TO NON-DEPOSIT OF TESTS CHARGES Rs.7.70 MILLION.**

86 The Audit reported that in Ayub Teaching Hospital Abbottabad, 414 Hepatitis B and 85 HIV kits were received from Lady Reading Hospital Peshawar from June 1999 to Sep, 2003. These kits were taken on the stock and were subsequently shown utilized. The receipts of Rs.7.70 million were realized from the consumption of the kits, but the same were not credited to Government Account causing a loss of Rs.7.70 million to Government.

87 The Department explained that an enquiry in the matter was conducted. As per enquiry report a loss of Rs.11,07,299/- was sustained to Government due to improper procedure adopted by the concerned authority was worked out and the responsibility was fixed as under:-

- Maj Gen® Pervez Butt, C.E 50%
- Col ® Mohammad Nawaz, M.S 25%
- Mr. Shabir Ahmad, Admn Officer 20%
- Mr. Mohammad Asif, BBT 5%

88 It further explained that a letter to Maj General (R) Pervez Akhtar Butt to deposit his share in losses was written on 13/04/07 but no response had been received till date whereas the then MS Col (R) Muhammad Nawaz had filed a suit in the court of law which was yet under trial.

89 Moreover, major penalty of compulsory retirement from service, had been imposed on Mr. Shabir Ahmad, Admn: Officer with further directions to deposit Rs.2,21,460/- as 20% share of the losses. He filed an appeal in Services Tribunal against the penalty which although re-instated him with the orders that he would be reduced by 10 stages in time scale and the impugned order of recovery was kept intact. Accordingly recovery had been started and his pay had been re-fixed by reduction of 10 stages. Similarly recovery of Rs.55,365/- from the pay of Mr. Muhammad Asif, BBT was also being made.

90 The PAC did not agree with the findings of inquiry report as it were unrealistic as whole responsibility was fixed on Chief Executive and Medical Superintendent. Moreover, the amount involved was also different from that reported by Audit. It was also noted that inquiry should have been conducted at Department level instead of Hospital Administration. The PAC, therefore, recommended fresh inquiry through Administrative Secretary within one month. Para stands, progress be reported to PAC.

**DP.No.8.07 NON-RECOVERY OF RENT AND UTILITY CHARGES AMOUNTING TO Rs.5.630 MILLION.**

91 The Audit reported that in Ayub Teaching Hospital, Abbottabad, 610 rooms in four hostels were allotted to the doctors/staff, but room rent of Rs.3.360 million and electricity charges of Rs.1.970 million for the year 1999-2000 were not recovered from the occupants.

92 The Secretary to the Committee pointed out that similar nature para i.e. 8.2 (2004-05) pertaining to LRH Peshawar, had already been referred to Sub Committee, so this para was also referred to the same Sub Committee for detail scrutiny.

**DP.No.8.11 NON-DEPOSIT OF GOVERNMENT SHARE Rs.2.5 MILLION.**

93 The Audit reported that in Ayub Teaching Hospital, Abbottabad, out of total receipts of Rs.13.12 million realized during 2002-03, an amount of Rs.7.872 million as 60% Government share was required to be deposited into Public Account in which an amount of Rs.5.37 million was deposited leaving a balance of Rs.2.5 million.

94 The Department explained that the calculation made by Audit party was based on flat rate of 60% after deduction of cost of repair of CT Scan Tube and cost of chemical whereas the share of doctors/paramedical staff was calculated on different percentages as per institution based private practice carried out during 2002-03 in Teaching Hospitals of NWFP.

95 The total amount realized during 2002-03 was Rs.1,23,90,782/-. The Government share during the period was 60% except the Cardiology Department wherein Government share was 45% during 2002-03 as institutional based private practice modules applied on routine case for the specific period 2002-03.

96 There was difference between the contention of Audit and Department regarding criteria applicable to the amount in question. PAC, therefore, referred the para to an Inter Departmental Committee consisting of representatives of Audit, Finance and Law to examine the issue and report its findings to PAC within 10-days. Para stands.

**DP.No.8.14 OVERPAYMENT DUE TO ALLOWING HIGHER EXCHANGE RATE WORTH RS.1.628 MILLION.**

97 The Audit reported overpayment due to allowing higher exchange rate amounting to Rs.1.628 million.

98 In view of plausible explanation of the Department, the para was recommended to be dropped.

**DP.No.8.29 LOSS DUE TO LESS DEPOSIT OF ROOM RENT AMOUNTING TO Rs.3.34,100/-.**

99. The Audit reported loss to Government due to less deposit of side room rent amounting to Rs.3,34,100/-.

100. The Department explained that during that period, Rs.100/- per day per side room were charged from patients except chronic diseases' patients and Government servants. All the amount received was deposited.

101. The Audit produced documentary evidences regarding collection of rent @ Rs.200/- per side room. The PAC, therefore, did not agree with the contention of the Department and directed that inquiry may be conducted through Inter Departmental Committee consisting of representatives of Audit, Finance, Law and Health Departments and report thereof may be submitted to PAC within one month.

DP.No.8.31 **NON ACCOUNTAL OF EQUIPMENT AMOUNTING TO Rs.2,88,922/-.**

102. The Audit reported that in Ayub Teaching Hospital, Abbottabad, an instrument oesophagoscope costing Rs.2,88,922/- was struck off from stock register vol-I (equipment) and shown transferred to stock register No.2 vol-II page 258, the instrument was not found entered in stock register No.2 vol-II page 258. Thus equipment valuing Rs.2,88,922/- was not accounted for.

103. The Department explained that the equipment was now available in ENT OT duly taken on stock register.

104. The PAC not agreeing with the explanation advanced by the Department observed that if the said equipment was taken on stock then why it was not verified from Audit in time. Therefore, it directed fresh enquiry alongwith physical verification of record through IDC. Report be submitted within one month. Para stands.

DP.No.8.38 **LOSS DUE TO NON IMPOSITION OF PENALTY AMOUNTING Rs.1,90,000/-.**

105. The Audit reported that in Ayub Teaching Hospital, Abbottabad, a contractor delayed payment of rent of Pharmacy shop and other charges for 19-days during 2000-2001. Fine of Rs.1,90,000/- was not received in terms of the contract agreement. Thus the Government was put to a loss of Rs.1,90,000/-.

106. The Department explained that the contract of Pharmacy shop was awarded to M/s Ali Hassan & Co and agreement was executed on 06/06/2001. Being aggrieved with Clause-23 regarding payment of rent in advance, the contractor requested to amend the above clause. On approval by the Medical Superintendent, the said clause was amended. According to mutually agreed terms and condition, the contractor deposited the rent as per schedule and no penalty was required to be imposed. Audit objected that Medical Superintendent was not authorized to amend the clause, instead it should have been amended by the Management Council.

107. Keeping in view the ground realities, the para was recommended to be dropped with the directions that Ex-post-facto sanction may be obtained from the competent authority and avoid such practice in future.

**DIRECTOR GENERAL HEALTH SERVICES.**

DP.No.8.1 **NON-PRODUCTION OF RECORD OF ADVANCE PAYMENTS AMOUNTING TO Rs.26.57 MILLION.**

108. The Audit reported that in the office of Director General, Health Services, NWFP, two personal ledger accounts were maintained. One ledger account was for the receipt of HIV-Aids Control (Federal contribution) and the other for EPI (UNICEF contribution). The cash book of HIV-Aids Programme showed that payment of Rs.4.47 million was made to Project Manager for HIV/HCV screening kits but no detail account in its support was produced. Similarly Rs.22.10 million were drawn from the UNICEF account in the names of various officers of the Department, but no detail account in support of the drawal was produced to Audit.

109. The Department explained that these funds were provided by the Foreign Aided Agencies, hence its Audit was also required to be carried out by the same agency/agencies. Later on these accounts were audited by the UNICEF and ACP as they were the Donor Agencies. Hence the Provincial Government was not concerned with these Transactions.

110. The PAC did not agree with the explanation of the Department and directed to provide detail of adjustment of the accounts for verification to Audit. Para stands, progress be reported to PAC.

111. In the meeting of Verification of Record Committee held on 15-05-2009 the department produced the record pertaining to payment of Rs. 4.47 million which was verified however, the department failed to produce detail account in support of drawal of Rs.22.10 million. Hence the Para was re-referred to PAC. Para stands.

DP.No.8.5 **IRREGULAR EXPENDITURE AMOUNTING TO Rs.7.65 MILLION.**

112. The Audit reported that in the office of Director General, Health Services, NWFP, an expenditure of Rs.7.65 million was incurred on the purchase of equipments and spare parts under ADP Scheme "Rehabilitation and Improvement in Hospitals Outlets" during 2003-04. The purchases were made on the last date of completion of the Project. The purchased items were not installed, commissioned and checked by the inspection Committee of Health Department constituted for the purpose. The expenditure was thus irregular.

113. The Department could not properly respond to the queries raised by Members of PAC and Audit so the para was referred to Sub Committee consisting of following MPAs:-

- 1) Mr. Saqib Ullah Khan Chamkani, MPA, Chairman
- 2) Mr. Muhammad Zamin Khan, MPA, Member

3) Mr. Fazal Shakoor, MPA, Member

114. The Sub Committee will submit its reports with in one month. Para stands, progress be reported to PAC.

DP.No.8.6 **LOSS OF Rs.6.00 MILLION DUE TO THEFT OF GOVERNMENT VEHICLES.**

115. The Audit reported that in the office of Director General, Health Services, NWFP, Peshawar, the following vehicles were shown stolen as reflected in the vehicles stock register:-

Vehicle Reg: No.	Make & Model of the Vehicle	User name at the time of theft	Date place of theft	Estimated cost value
X-91 AF	Toyota Hilux double cabin Model 2000	Dr. Raj Wali Khan, Asst: Director (EPI)	10/09/2003 Sheraz Hotel	Rs.3.00 million
A-1341	Pajero Jeep Model 1995	Dr. Iqbal Afridi, Dy: Director Personal	28/01/2002 Jans Bakers	Rs.2.00 million
SWA-6647	Toyota Land Cruiser Model 1987	Dr. Sahib Gul, Asstt: Project Coordinator	30/06/1996 NIH, Islamabad	Rs.1.00 million

116. The Department explained that FIRs of theft of vehicle No.X-91 AF and No.A-1341, allotted to Dr. Raj Wal Khan and Dr. Iqbal Afridi, respectively, had been lodged by both of them. Consequently an inquiry was conducted and according to the findings of the inquiry report both of them were exonerated.

117. On a question raised by the Members that whether they were entitled to use official vehicles with out official Driver as per rules, the Department replied in negative.

118. The PAC did not agree with the explanation of the Department and directed recovery on the depreciated cost of the vehicles from the concerned doctors, after fulfilling all codal and legal formalities.

119. After that both the doctors preferred appeals to the PAC with the request that the previous decision was made unilaterally with out giving them an opportunity of personal hearing. The Committee in its meeting held on 06-05-2010 considered the appeals and after going through the facts and documentary proofs put forth before it, exonerated both the doctors from the charges leveled against them.

120. The case of vehicle No.SWA-6647 needed detailed scrutiny, so it was referred to Sub Committee already constituted on DP No.8.5 with the direction to submit its report within two (2) months.

DP.No.8.20 **LOSS DUE TO UNNECESSARY PURCHASE OF EQUIPMENTS AMOUNTING TO Rs.6.58,000/-.**

121. The Audit reported that in the office of Director General, Health Services, NWFP, incurred an expenditure of Rs.4.00 million on the purchase of equipments/instruments etc under ADP scheme "Rehabilitation and Improvement of existing Hospitals outlets" for Police and Services Hospital, Peshawar during 2003-04 however, the same items costing Rs.6,58,000/- were also purchased by the Medical Superintendent Police and Services Hospital from Hospital budget. Thus the Government was put to loss of Rs.6,58,000/- due to unnecessary purchase of equipment.

122. The para being of similar nature of D.P No. 8.5, was also referred to Sub Committee constituted for that para.

DP.No.8.28 **LOSS DUE TO MISSING OF GOVERNMENT VEHICLE Rs.3,50,000/-.**

123. The Audit reported that in the office of the Director General, Health, Services, NWFP, Peshawar, a vehicle bearing No.A-2243 make Suzuki carry costing Rs.3,50,000/- in the use of Assistant Director, Health Management Institutional Services (AD HIMS) was stolen. Neither FIR was lodged with the Police nor inquiry was conducted by the Department. The case was also not reported to Audit as required under the rules. Thus the Government was put to a loss of Rs.3,50,000/-.

124. The Department explained that an inquiry was conducted by the Department. As per inquiry report the competent authority decided that the depreciated cost of stolen vehicle may be worked out and recovered from the doctor concerned. Dr. Sameer Ahmed had been directed to deposit the depreciated value amounting to Rs.1,50,000/-, whereas the doctor concerned had deposited Rs.5,000/- only and the remaining amount of Rs.1,45,000/- was still outstanding. The doctor

concerned had been directed time and again to deposit the outstanding amount but all in vain as he was posted in Khyber Agency now-a-days and he was under the control of Director (FATA).

125. The PAC noted such affairs with grave concern and recommended recovery from the person alongwith compound interest within two (2) months. Para stands, progress be reported to PAC.

DP.No.8.17 **NON-ACCOUNTAL OF MEDICINES AMOUNTING TO Rs.8,72,407/-**

126. The Audit reported that in DHQ Hospital Lakki Marwat, medicines costing to Rs.8,72,407/- were issued to OPD during July 2000 to March 2001 on monthly basis. The indents of the OPD and authorization by the competent authority for the issuance of medicines were not available on the record. The sub stock register of OPD was also checked, wherein no entries regarding receipt of medicines and subsequent issuance to the patients were found recorded.

127. The Department explained that daily consumption stock register of medicine had been maintained for issuing the medicines from main stock register. Subject to verification of stock register and indents, the para was recommended to be dropped.

128. Record was produced to the Verification of Record Committee on 15-05-2009 which was duly verified by Audit, hence this portion of the Para was recommended to be dropped.

DP.No.8.24 **NON-ACCOUNTAL OF MEDICINES AMOUNTING TO Rs.5,04,827/-**

129. In view of the plausible explanation of the Department that medicines have already been received/taken on stock register, the para was recommended to be dropped.

DP.No.8.25 **NON -ACCOUNTAL OF MEDICAL EQUIPMENTS AMOUNTING TO Rs.4,74,886/-**

130. The main Audit objection was that certain equipments/items worth Rs.4,74,886/- were not supplied as no entry to that effect was made in the stock register. The Department explained that store had been received and properly entered on the stock register. Photo copy of the stock register and bill were produced to the Committee.

131. Subject to verification that the equipments/items were received and taken on stock register, the para was recommended to be dropped.

132. Record was produced to the Verification of Record Committee on 15-05-2009 which was duly verified by Audit, hence this portion of the Para was recommended to be dropped.

DP.No.8.34 **LOSS DUE TO NON SUPPLY OF CHEMICALS AMOUNTING TO Rs.2,19,980/-**

133. The Audit reported that in DHQ Hospital, Lakki Marwat an expenditure of Rs.2,19,980/- was incurred on supply of chemicals but no entry in the stock register was made.

134. The Department explained that chemicals in question had been received and properly entered on stock register.

135. Subject to verification that chemicals have been received by the Department and taken on stock register, the para was recommended to be dropped.

DP.No.8.40 **LOSS DUE TO SHORT SUPPLY OF MEDICINES AMOUNTING TO Rs.1,77,600/-**

136. In view of plausible explanation of the Department that no excess payment was made, the para was recommended to be dropped.

DP.No.8.41 **MISAPPROPRIATION OF RECEIPTS AMOUNTING TO Rs.1,36,800/-**

137. In view of plausible explanation of the Department duly supported by documentary evidence that Rs.15/- was being charged as labour room charges, the para was recommended to be dropped.

**GENERAL**

138. The PAC observed that in number of cases, receipts were embezzled and misappropriated which should have been credited to Government accounts. It was observed that in all these cases, the controlling officers failed to watch these activities and as a result the public money was misappropriated. The Finance Department was directed to issue notification to all the Departments to avoid such practice in future otherwise the controlling officer will be held responsible and recovery would be made from them.

-

## **GENERAL.**

139. It was noted by the PAC that the Department did not take the DAC seriously and when decisions are made therein, the same are not properly pursued/implemented, despite the fact that the PAC has issued its observation time and again in this regard. The PAC, in its previous meeting, therefore, directed to hold the pre-PAC meetings to facilitate job of PAC.

140. Basically, the purpose of Pre-PAC is that the Department should come prepare to PAC and ensure that as to whether decision of DAC was implemented or not, and if verification of record was involved, the same was verified or not. It would not only help the PAC but also the Department in settling Audit objection, but now, a new trend is developed by certain Departments that after the DAC decision, they come up with a new version at a pre-PAC meeting ignoring the decision made by the DAC. It is once again directed that in the Pre-PAC meeting the Department should only see as to whether the decision of the DAC was implemented or not and the reason thereof. It should not reopen the case already decided by the DAC as it creates a lot of complications.

## **GENERAL**

141. During the course of discussion, the budget officer of the health Department pointed out that he was the only officer dealing with the budget and PAC affairs with out any help from subordinate. The DG, Health Department said that he was ready to provide any official whom the budget officer selects for his office. The PAC directed the Department to provide competent subordinates to the said officer to deal with the matters properly. It also recommended honorarium to the said officer for working alone in undesirable condition.

-

## **FINANCE DEPARTMENT**

### **OVERVIEW**

Two (02) draft paras reflected in the Audit Report for the year 2004-05 were taken up for examination by the Public Accounts Committee (PAC) in its meeting held on 06/04/2009.

2. The PAC having considered Audit's point of view and explanation advanced by the Department made recommendations on each para as under:-

### **DRAFT PARAS**

#### **DP. No. 5.1 LOSS DUE TO SHORTAGE OF STORE AMOUNTING TO Rs.4,24,560/-**

3. The Audit reported loss of Rs.4,24,560/- due to shortage of store items i.e., multi media projector, laptop computer, and two air coolers in the office of Director Local Fund Audit. The Department explained that at the time of audit, the laptop and computer were not available. The same were provided to the Finance Department on loan basis after getting proper receipt. However when pointed out by Audit, the said items were taken back by the parent office from the Finance Department and entered in the stock register. The air coolers were also available and entered on the stock register. The Department produced minutes of the meeting of DAC duly signed by Additional Secretary Finance, Director Local Fund Audit, Deputy Director Audit and Section Officer Finance, under which the said draft para was dropped.

4. The Committee strongly condemned the attitude of Audit Department that when the para was recommended by the DAC for settlement, then the Audit should not have insisted on their observation and the time of the PAC should not have been wasted in unnecessary deliberation. The para was recommended to be dropped, in view of DAC decision.

#### **DP. No. 5.2 LOSS DUE TO THEFT OF MULTIMEDIA PROJECTOR AMOUNTING TO Rs.1,80,000/-**

5. The Audit reported that in the office of Project Director, Information Technology, Finance Department, it was found that a multimedia projector valuing Rs.1,80,000/- was not available. Neither enquiry was conducted nor FIR lodged. The Department admitted the Audit contention however, it was added that enquiry Committee had now been constituted which would finalize its report within one month.

6. The Committee noted with grave concern that the case reported by Audit in 2004 was not materialized after the lapse of 4 years. It, therefore, directed that the enquiry may be finalized within one month and action may be taken against the person found responsible for the loss. Moreover, on the suggestion of Law Department, it was also recommended that FIR for theft of the missing article may also be lodged after finalization of the enquiry. Para stands progress be reported to PAC.

## FOOD DEPARTMENT

### OVERVIEW

Eleven (11) draft paras reflected in the Audit Report for the year 2004-05 were taken up for examination by the Public Accounts Committee (PAC) in its meeting held on 06/04/2009

2. The PAC having considered Audit's point of view and explanation advanced by the Department made recommendations on each para as under:-

### DRAFT PARAS

#### DP. No. 6.1 NOON-RECOVERY OF OUTSTANDING SUBSIDY AMOUNTING TO Rs.344.715 MILLION.

3. The Audit reported that in the office of Director Food, an amount of Rs.344.715 million was outstanding against the Federal and Provincial Governments on account of subsidy of wheat. The amount needed to be recovered and credited to the Government account. The Department explained that a sum of Rs.269.137 million was outstanding on account of subsidy against SAFRON, out of which 96.804 million was recovered. A balance of Rs.172.33 million would hopefully be recovered from the respective organizations within seven days. As regard recovery from the Provincial Government it was contended that the entire amount had been recovered and credited to Government account. This portion of the para was recommended to be dropped subject to verification by audit. However, with regard to recovery from Federal Government, the para stands with the observation that it would be taken up again by the PAC within 15 days.

#### DP. No.6.2 LOSS ON ACCOUNT OF DAMAGED/INFESTED WHEAT AMOUNTING TO Rs.17.486 MILLION.

4. The Audit reported loss on account of damaged/infested wheat worth Rs.17.486 million. The Department explained that the para related to Chitral and admitted the Audit contention. However, the Department advanced peculiar circumstances of the area/gowdown in which the wheat was infested. It was added that the Finance Department had already issued write off sanction in view of summary approved by the Chief Minister. The Chairman referred to para 11 of the summary approved to by the Chief Minister and said that what action had been taken against the officials of Food Department, the Department was not aware to respond and satisfy the PAC. The Audit referred to the write off sanction issued by the Finance Department and told that the said sanction was conditional and the Department should have fulfilled all codal formalities as prescribed under para 47 of GFR which have not been completed.

5. The Secretary of the Department said that due to weather problems, the DFO Chitral could not reach the meeting and he would be in a better position to explain the whole issue. The para was, therefore, referred to Sub-Committee consisting of the following to scrutinize the issue and submit report within one month.

1. Mr. Saqib Ullah Khan Chamkani, MPA.
2. Mr. Mukhtiar Khan, MPA.
3. Mr. Zamin Khan, MPA.

#### DP. No.6.3 OVERPAYMENT DUE TO ALLOWING EXCESS DISTANCE Rs.2.656 MILLION.

6. The Audit reported overpayment of Rs.2.656 million to the contractor due to allowing excess distance. With regard to Rs.1.491 million overpaid to storage and enforcement Officers Peshawar, the Department contended that the contractor had been asked to deposit the same into treasury but he had filed a writ petition in the court and as such the case being subjudice, recovery could not be affected. The Chairman asked as to whether the court had issued stay order regarding recovery, the Department replied into negative. The Committee, therefore, directed that since the learned court has not passed any stay order, therefore, recovery may be expedited from the contractor.

7. In the gist of the para detailed scrutiny of distance was involved hence the para was referred to Sub-committee already constituted on DP No.6.2.

#### DP. No.6.4 LOSS DUE TO SHORTAGE OF WHEAT AND EMPTY GUNNY BAGS AMOUNTING TO Rs.4,86,000/-

8. The Audit reported loss of Rs.4, 86,000/- due to shortage of wheat and empty gunny bags. The Department explained that 50,000 tones of wheat, was transferred from Chitral to Reshun and Reshun to Laspur. Record of wheat and empty gunny bags was available and could be shown to Audit for verification. The PAC directed the Department to get the relevant record verified by Audit within 15 days. Para stands for verification.



9. Record was produced to the Verification of Record Committee on 20/04/2009 which was duly verified by Audit, hence the Para was recommended to be dropped.

DP. No.6.5 **BLOCKAGE OF PUBLIC MONEY WORTH Rs.4,00,000/-**

10. The Audit reported blockage of public money amounting to Rs.4,00,000/-on purchase of land at Rehmat Abad, Karak for construction of gowdown in 1992, but the construction was not carried out. The Department contended that due to non availability of funds, the construction work could not be executed, however the scheme has been included in the recent ADP and the case has been sent to the Finance Department for release of funds.

11. The Committee observed that since availability of fund was a problem beyond the control of the Department, therefore, the para was recommended to be dropped.

DP. No.6.6 **LOSS DUE TO NON-RENEWAL OF LICENSES AMOUNTING TO Rs.3,86,080/-**

12. The Audit reported that an amount of Rs.3,86,080/- as license fee was recoverable from Food grain dealers which was not recovered.

13. In view of plausible explanation of the Department the para was recommended to be dropped.

DP. No.6.7 **LOSS DUE TO LESS DEDUCTION OF INCOME TAX WORTH Rs.3,54,386/-**

14. Subject to verification of record pertaining to income tax recovery, the para was recommended to be dropped.

15. On 09/04/2009 meeting of verification Committee was held wherein record of the said para was produced before the Committee for verification which was duly verified by Audit, hence the para was settled.

DP. No.6.8 **OVERPAYMENT DUE TO ALLOWING HIGHER RATES AMOUNTING TO Rs.2,88,210/-**

16. In view of plausible explanation of the Department, the para was recommended to be dropped.

DP. No.6.9 **NON-RECOVERY OF EXCESS PAYMENT OF TRANSPORTATION CHARGES AMOUNTING TO Rs.254,694/-**

17. The Audit reported that an amount of Rs.2,54,694/- was paid to the contractor for delivery of wheat in excess of rates approved by the Department. The Department explained that a sum of Rs.1,47,980/- was recovered from the contractor in 2004 while recovery of Rs.1,06,708/- has been made in 2005. Subject to verification of the whole recovery, the para was recommended to be dropped.

18. On 20/04/2009 meeting of verification Committee was held wherein record of the said para was produced before the Committee for verification which was duly verified by Audit, hence the para was settled.

DP. No.6.10 **LOSS DUE TO NON IMPLEMENTATION OF PENALTY Rs.1,54,452/-**

19. In view plausible explanation of the Department, the para was recommended to be dropped.

DP. No.6.11 **UN-AUTHORIZED EXPENDITURE OF PAY AND ALLOWANCE AMOUNTING TO Rs.1,07,638/-.**

20. The Audit reported unauthorized expenditure of pay and allowances amounting to Rs.1,07,638/-. The background of the case was that the Assistant Food Controller was removed from service by the Director Food in 2001, later on the said order was withdrawn. The Audit was of the view that the Director was not competent to withdraw the said order rather the next higher authority i.e. the Secretary should have withdrawn the said order, thus pay and allowances paid to the Assistant Food Controller from the date of his removal were unauthorized. The Department explained that the case had been sent to the Establishment Department for getting their opinion about the procedure adopted. Para stands till the receipt of opinion of the Establishment Department to the Food Department.

-

**POPULATION WELFARE DEPARTMENT.**

## **OVERVIEW**

Six (06) draft paras reflected in the Audit Report for the year 2004-05 were taken up for examination by the Public Accounts Committee (PAC) in its meeting held on 10/04/2009

2. The PAC having considered Audit's point of view and explanation advanced by the Department made recommendations on each para as under:-

## **DRAFT PARAS**

### **DP. No.13.1 LOSS DUE TO SUPPLY OF SUBSTANDARD MEDICINES/ EQUIPMENTS WORTH Rs.27.237 MILLION.**

3. Since six different sub offices were involved in the Audit para, therefore the Audit Department was directed by the PAC to bifurcate it and give separate observation in respect of each sub office. It further directed the Audit Department that practice of consolidation of various Audit objections into one para be abandoned, as it creates complication to Departments.

### **DP. No.13.2 LOSS DUE TO THEFT OF VEHICLE AMOUNTING TO RS.5.60.000/-**

4. The Audit reported loss of Rs.5,60,000/- due to theft of vehicle from the premises of the F.C. Trust building Peshawar on 08/05/2004. The Department explained that proper F.I.R. had been lodged and the matter was under investigation of the Police Department. The Members of the Committee said that F.I.R related only to the theft of the vehicle, but questioned that what action the Department had taken against the officer/official for negligence. Moreover departmental inquiry required to be conducted, was also not done. The PAC therefore directed the Department to conduct an inquiry into the matter through responsible officer and submit the same to PAC within two weeks. Para stands.

### **DP. No.13.3 LOSS ON ACCOUNT OF MISSING PHOTOSTAT MACHINES AMOUNTING TO Rs.5,00,000/-**

5. The Audit reported loss of Rs.5,00,000/- due to missing of two Photostat Machines which were issued to District Population Officers Swat and Mardan respectively on 30<sup>th</sup> May, 1998. Again on 16<sup>th</sup> Oct. 1999, two photo machines were purchased and issued to the same offices. The old machines were received back by the Storekeeper of main office on 16<sup>th</sup> Oct.1999. The machines were neither taken on stock nor issued to any officer. The para was discussed in DAC meeting held in March 2006 wherein the Department showed ignorance about the matter and asked the Audit to disclose the source on which the para was based. The Audit produced the documentary evidence i.e. the letter of storekeeper in support of its contention.

6. The Department could not advance any plausible explanation, therefore, the para was referred to the Sub Committee consisting of the following Members to thrash out the matter:-

1. Syed Muhammad Sabir Shah, MPA.
2. Mr.Saqib ullah Khan Chamkani, MPA.
3. Mr. Muhammad Zamin Khan, MPA.

The Committee should submit its report within one month.

### **DP. No.13.4 NON-ACCOUTNAL OF STORES AMOUNTING TO Rs.3,47,085/-.**

7. The Audit reported loss of Rs.3,47,085/- to Government due to missing of store items, as the Director Administration and Coordination, reportedly carried out physical inspection and found the items missing. The issue was discussed in DAC, which directed to conduct enquiry, but with no action. The Department said that the Director recorded his remarks at the time of signing the bills. Later on, the same officer after physical verification, signed the bill for submission to pre audit. The Department submitted a certificate signed by the same Retired Director, regarding receipts of complete supply. Certificate from Retired officer created doubts, therefore, it was decided that the issue in question may be thrashed out by the Sub Committee already constituted on draft para No.13.3 to know the factual position.

### **DP. No.13.5 IRREGULAR PAYMENT OF ELECTRICITY CHARGES AMOUNTING TO Rs.2,33,710/-.**

8. Referred to Sub Committee already constituted on draft para No.13.3, for further scrutiny, as the Department could not submit plausible explanation. It was not clear as to how the Department paid excess amount to WAPDA and under what rules and circumstances.

### **DP. No.13.6 LOSS DUE TO MISSING AUDIO VISUAL EQUIPMENT AMOUNTING TO Rs.1.00.000/-**

9. The Audit reported loss of Rs.1,00,000/- due to missing of Audio visual equipment received from United Nation Funds. The items were not available on the stock register. The Department contended that the stock register was available and the items were entered. The documents produced by Department showed entries of 2006, whereas the purchase was made in 1989. The Committee observed that it should have been entered in the register during 1989 and not in 2006.

10. The PAC directed that action should be taken against the officers/official responsible, who failed to make the entries in the stock register in time. The controlling officer should also be issued warning. Para stands, progress be reported to PAC.

-

## HOME AND TRIBAL AFFAIRS DEPARTMENT.

### OVERVIEW

Thirty seven (37) draft paras reflected in the Audit Report for the year 2004-05 were taken up for examination by the Public Accounts Committee (PAC) in its meetings held on 13/04/2009, 14/04/2009 & 29/04/2009.

2. The PAC having considered Audit's point of view and explanation advanced by the Department made recommendations on each para as under:-

### DRAFT PARAS

#### DP.No.9.1 NON-PRODUCTION OF AUDITABLE RECORD WORTH Rs.69.229 MILLION.

3. The Audit reported non production of auditable record in support of expenditure of Rs.69.229 million. The para was also discussed in DAC meeting in January 2006, but the Department could not produce the relevant record.

4. The Department admitted that at primary level the record was not available, however the same was now available and could be inspected by Audit. The Committee questioned the Department about reasons of non availability of record at the time of Audit and even at DAC level, the Department could not advance any cogent reason. On an other question from Audit as to whether any steps were taken bringing the issue into the notice of high ups of the Department, the Audit replied that this para was framed against the Department and it was already in the knowledge of the Principal Accounting Officer as he was supposed to chair the meeting of the DAC, and he should have initiated action against the officer/official who failed to provide the record. On a question, as to whether any such officer was pointed out by Audit, the reply was evasive; therefore, the Chairman remarked that both the Audit and Department had not honestly fulfilled their obligations.

5. After detailed discussion, the Committee directed the Department to provide record by tomorrow to the Audit and the later should complete the Audit within two days and report be submitted to PAC. Scrutiny of the documents should be carried out in the Assembly Secretariat. The PAC also directed the Department to initiate disciplinary action forth with against the officers/officials involved in the misdeed of not providing the auditable record to Audit. Disciplinary action must be completed within one month and report be submitted to PAC. Para stands.

#### DP.No.9.2 IRREGULAR PAYMENT OF INTERNAL SECURITY FUND AMOUNTING TO Rs.40.00 MILLION.

6. The Audit reported irregular payment of internal security fund amounting to Rs.40.00 million. The following discrepancies were pointed out:-

1. Detailed account was not rendered by the agencies to whom the payments were made. The actual payee receipts were also not produced to Audit.

2. An amount of Rs.31.733 million was not surrendered by the Department but no record was produced to the effect.

7. Besides other issues, it was not clear as to whether Rs.22, 505,853/- as contended by the Department to have been lying in their PLA account, was available or lapsed as the Audit, in view of A.G's letter on record, was of the opinion that the amount was transferred back to Federal Government. Since the issue involved detailed scrutiny of record, therefore, the Audit Department was directed to conduct special Audit in respect of the para under consideration within two days and report submitted to PAC. The Department was directed to come up with complete record by tomorrow and facilitate the job of Audit. Para stands.

#### DP.No.9.3 IRREGULAR PAYMENT AMOUNTING TO Rs.21.825 MILLION.

8. The Audit reported that a sum of Rs.21.825 million was drawn during 2001-2003 on account of compensation in respect of deceased and injured police officials for distribution amongst their legal heirs. The payment was made to DSP Welfare and PQR Peshawar through cheques but record of further disbursement was not available.

9 The Department explained that a policy had been framed by the I.GP for death compensation and accordingly a saving account instead of direct payment was opened in the name of widows in case where the children were minors. On attaining the age of maturity of the minors, principal amount on the request of widows was also refunded. Record was reported to have been available which could be verified by Audit.

10. Para stands for verification of record by the Audit. Both the Audit and Department was directed to come up for verification on Thursday the 16<sup>th</sup> instant to the Assembly Secretariat with complete record.

11. On 20/04/2009 meeting of verification Committee was held wherein record of the said para was produced before the Committee for verification which was duly verified by Audit, hence the para was recommended to be dropped..

DP.No.9.4 **LOSS DUE TO NON FORFEITURE OF SECURITY AMOUNTING TO Rs.20.021 MILLION.**

12. In view of plausible explanation of the Department, the para was recommended to be dropped.

DP.No.9.5 **NON-RECOVERY OF GOVERNMENT DUES AMOUNTING TO Rs.16.389 MILLION.**

13. The issue was under consideration of the Sub-Committee which could not finalize its report. Mr. Alamzeb Khan, the then MPA was Chairman of the Sub-Committee. The PAC nominated Mr. Saqib Ullah Khan Chamkani as his replacement with the direction that the report should be submitted within one month.

DP.No.9.6 **IRREGULAR EXPENDITURE ON THE PURCHASE OF VEHICLES WORTH Rs.15.816 MILLION.**

14. In view of plausible explanation of the Department the para was recommended to be dropped.

DP.No.9.7 **IRREGULAR EXPENDITURE OF PAY AND ALLOWANCES AMOUNTING TO Rs.13.600 MILLION.**

15. The Audit reported an expenditure of Rs.13.600 million on pay and allowances over and above the sanctioned strength of the staff during 2002-03. The Department contended that no excess payment was made, rather the amount was drawn according to the actual strength as per record maintained in CPO. The Finance Department supported contention of the Home Department. The PAC, in order to know the factual position, marked the para for verification of actual strength of Police Personnel and drawal of their salaries. Verification must be conducted on Thursday in the Assembly Secretariat.

16. Record was not produced to the verification committee; hence the para was re-referred to PAC for final decision. Para stands.

DP.No.9.8 **NON-RECOVERY OF GST AMOUNTING TO Rs.8.892 MILLION.**

17. In view of sales tax invoices provided by the Department, the para was recommended to be dropped.

DP.No.9.9 **NON-DEPOSIT OF RENT AMOUNTING TO Rs.7.061 MILLION.**

18. Similar nature paras are already under consideration of Sub-Committee No.7 (2003-04). The Committee, therefore, directed that it must expedite its proceedings and submit report which will also apply on the said para.

DP.No.9.10 **UNAUTHORIZED EXPENDITURE OF Rs.6.312 MILLION.**

19. Since the para related to appropriation accounts, therefore, it was not discussed in the PAC at this stage.

DP.No.9.11 **IRREGULAR EXPENDITURE OF POL CHARGES AMOUNTING TO Rs.5.995 MILLION.**

20. In view of plausible explanation and ground realities advanced by the Department the para was recommended to be dropped.

DP.No.9.12 **IRREGULAR EXPENDITURE ON PETTY AND SPECIAL REPAIRS WORTH Rs.5.50 MILLION.**

21. In view of plausible explanation of the Department, the para was recommended to be dropped.

DP.No.9.13 **MISAPPROPRIATION OF GOVERNMENT MONEY AMOUNTING TO Rs.3.447 MILLION.**

22. The Audit reported that in the office of CCPO Peshawar an amount of Rs.3.447 million was drawn during 2002-03 for payment to PESCO and other miscellaneous expenditures. The amount was misappropriated. The Department admitted the Audit contention and said that the amount relating to PESCO had been recovered from the culprit official who was dead by now. The Chairman asked as to whether any responsibility was fixed against the DDO, the Department replied in negative. The para was deferred for consideration by tomorrow for production of detailed record.

23. The para was again discussed on 14.4.2009. The Audit provided details of amount involved in the para as follows:-

Electricity.	Rs.6,93,187
FBI Fund	Rs.5,00,000
Compensation of SI Bakhtiar,	Rs.5 ,00,000
Regimental fund,	Rs.4,29,000
GP Fund	Rs.74,464
Brass Band.	Rs.3,66,700
Pipe Band	Rs.2,89,500

24. With regard to clearance of WAPDA dues, the Department contended that the amount was recovered from the defaulter in shape of depositing the utility bill by him. The amount was not drawn from the Government treasury. Mr. Saqib Ullah Khan Chamkani, MPA posed a question to the DIG as to how he would assure the PAC as to whether payment was not made from any other source of Government, he could not properly respond. The Audit contended that this was totally a case of fraud-embezzlement, as the amount was drawn from Government exchequer and it was falsely shown as disbursed on utility bills, hence DDO was equally responsible. Further more due to non deposit of the bills in time, the Government might have paid heavy amount in the shape of surcharge; therefore, they suggested that the issue may be thrashed out by the Sub Committee.

25. The PAC, therefore, decided to refer the para to the Sub Committee consisting of the following to scrutinize it in detail and submit its report within one month.

1. Mr. Saqib Ullah Khan Chamkani, MPA Chairman
2. Mr. Muhammad Zamin Khan, MPA Member
3. Mr. Fazal Shakoor Khan, MPA Member

26. The Audit Department was directed to frame issue relating to the para and submit the same to the Assembly Secretariat for on ward submission to the Department for getting reply to facilitate job of the Sub Committee.

DP.No.9.14 **NON-RECOVERY OF GENERAL SALES TAX AMOUNTING TO Rs.2.765 MILLION.**

27. The Audit reported non recovery of General Sales tax of Rs.2.567 millions. The Department contended that according to the decision of DAC, the sales tax invoice was produced to Audit for verification but verification certificate had not yet been issued. The Audit denied production of record by the Department, and instantly the Department could not support its contention by any documentary evidence. The Members of the PAC observed that before submitting record to the Audit, the Department should have sent a letter in the name of DG authorizing a staff member of the Police Department for producing record and getting it verified from the officer of the Audit Department nominated by the DG. It said that due to lack of systematic mechanism in the Department its performance was badly affected and the issues which should have been decided long ago, remained undecided for years. The PAC therefore, directed the Department to set up proper mechanism for such type of issues.

28. Para stands for verification of record by the Audit. Both the Audit and Department was directed to come up for verification on Thursday the 16<sup>th</sup> instant to the Assembly Secretariat with complete record.

29. Record was not produced to the verification committee; hence the para was re-referred to PAC for final decision. Para stands.

D.P No. 9.15 **MISAPPROPRIATION OF GOVERNMENT MONEY AMOUNTING TO Rs.2.754 MILLION.**

30. The Audit reported mis-appropriation of Government money of Rs.2.754 million from the private fund established by the Department. The Department as per reply in the working paper contended that the amount involved in the para was recovered from the culprit official and subsequently he was dismissed from service. During the course of deliberation, it was added by the Police Department that the funds was established for the welfare of the police personnel, and rules to that effect were framed. The Finance Department contended that for establishment and maintaining such type of fund, rules should have been framed in consultation with the Finance Department.

31. After detailed discussion, the PAC directed the Department that in order to avoid future Audit objection in this regard, the rules framed by the Department must be vetted from Finance and Law. This should be done within a month. With the above observation, the para was recommended to be dropped.

D.P No.9.16 **IRREGULAR EXPENDITURE OF TRAVELLING ALLOWANCE WORTH Rs.2.606 MILLION.**

32. The Audit reported irregular expenditure of traveling allowance of Rs.2.606 million incurred on T.A/DA during 2002.-3. The claim was not supported with approved programme and sanction of competent authority. It suggested that record of Mr. Rabnawaz, Quresh Khan, Suhail Khalid, Sajjad, Awais Ahmad, Salman Ali Khan DSPs/ASPs may be produced to Audit for verification. The Department assured that record in respect of the above named officers would be provided to Audit. Para stands for verification of record of the officer concerned.

DP No.9.17 **UN-AUTHORIZED EXPENDITURE OF INVESTIGATION CHARGES OF Rs.1.998 MILLION.**

33. The Audit reported unauthorized expenditure of Rs.1.998 million drawn on account of investigation charges. The amount drawn was reportedly shown to have been expended on meal and transport charges provided to the accused during police custody.

34. The Department contended that the bills and standing order had been produced in the Audit office but verification certificate had not yet been received. However record was stated to have been available.

35. Para stands for verification of record within two days.

DP No.9.18 **NON-ACCOUNTAL OF LICENCE CARDS OF Rs.1.91 MILLION.**

36. In view of plausible explanation of the Department, the para was recommended to be dropped.

DP.No.9.19 **IRREGULAR EXPENDITURE ON ACCOUNT OF TA AMOUNTING TO Rs.1.383 MILLION.**

37. In view of enquiry report presented by the Department, the para was recommended to be dropped.

DP.No.9.20 **UN-AUTHORIZED EXPENDITURE DUE TO MISCLASSIFICATIONS OF Rs.1.011 MILLION.**

38. The Audit reported unauthorized expenditure due to misclassification of Rs.1.011 million incurred on the purchase of furniture, equipment and repair. The purchases were made from irrelevant heads of accounts.

39. The Department admitted the lapse on their part. However it was contended that due to ban on purchase of durable goods, the items were purchased from different heads of accounts in the interest of public. The Audit vehemently objected that if it was in the best public interest, then why the defaulter official was punished by the Department. The reply of the Department was evasive and misleading. The para was kept pending and the Department was directed to come up with complete record to know the factual position.

DP.No.9.21 **UN-AUTHORIZED EXPENDITURE OUT OF GOVERNMENT RECEIPT Rs.9,74,360/-.**

40. The Audit reported unauthorized expenditure of Rs.9,74,360/- out of receipt of Government money. The expenditure from receipt was irregular in view of rule 7(1) of Treasury Rules and Article 118 of the Constitution of Pakistan. The Department contended that under SR 12, the expert share is 2/3 of the total receipt out of which 1/3 was paid to them and the remaining 1/3 was kept by the Addl. I.G. investigation for his immediate requirement.

41. The PAC said that the Audit had no objection on the share of police personnel, but procedure they have adopted ultra vires to the rules and the constitutional provision. The police Department should adopt proper procedure asking budget from F.D. in proper heads for payment of share of police personnel. The PAC further directed that the present procedure adopted by the

Police Department may be discontinued forthwith and all amount realized should be deposited into Government Treasury in future. The police Department was further directed to take up the case with Finance Department for streamlining the system.

42. With the above observation, the para was recommended to be dropped.

DP.No.9.22 **MISAPPROPRIATION OF ARREARS OF PAY & ALLOWANCES Rs.724.416 MILLION.**

43. Para stands for verification of the record that double payment was not made.

44. On 20/04/2009 meeting of verification Committee was held wherein record of the said para was produced before the Committee for verification which was duly verified by Audit, hence the para was settled.

DP.No.9.23 **MISAPPROPRIATION OF GOVERNMENT FUND AMOUNTING TO RS.6,93,127/-**

45. The Audit reported misappropriation of Government fund amounting to Rs.6,93,127/-. The amount was drawn for utility bills and shown to have been paid, but the same was, in fact misappropriated.

46. This para was linked with the previous paras, referred to Sub Committee already constituted on DP No.9.13 with the direction to probe into the matter and submit report within one month.

DP.No.9.24 **LOSS DUE TO NON-DEDUCTION OF HOUSE RENT ALLOWANCES WORTH Rs.5.92.000/-**

47. The Audit reported loss of Rs.5,92,900/- due to non accountal of House Rent Allowance. This was the amount of 31 quarters occupied by police personnel It was contended that the said being in dilapidated condition have since been demolished. It also contended that due to a certificate provided by the C&W Department, the quarters being rusted were not suitable for residing. The Audit said that such certificate, under the rules should have been issued by the Sub Engineer of the Department, whereas the Photostat document provided by the official was signed by SDO. On demand of original copy, the same was not provided to the Committee. The Department could not provide any plausible explanation to refute the Audit observation, hence the PAC decided that the amount involved in the para may be recovered from the officials/officers concerned and deposited into Government treasury within one month. Moreover disciplinary action may also be taken against the respective officers, who failed to implement the decision of DAC.

DP No. 9.25 **NON-RECOVERY OF PROFESSIONAL TAX AND STAMP DUTY AMOUNTING TO Rs.5,92,765/-.**

48. The Audit reported non recovery of professional tax and stamp duty worth Rs.5,92,765/-.

49. The Department briefly explained that full amount in respect of professional tax had been recovered, however, as regards stamp duty, a sum of Rs.3,60,000 was still outstanding, however the DIG hoped that the amount would be recovered shortly. PAC wanted the Department to recover the same within one month, but on the request of DIG, it was extended to two months period. Para stands. Progress be reported to PAC.

DP No. 9.26 **IRREGULAR PAYMENT ON POL CHARGES FOR PRIVATE VEHICLES AMOUNTING TO Rs.5,52,831/-.**

50. Subject to verification of record, the para was recommended to be dropped.

DP No. 9.27 **LOSS TO GOVERNMENT DUE TO UNNECESSARY PURCHASE OF SPARE PARTS AMOUNTING TO Rs.4.86.693/-.**

51. The Audit reported that in the office of AIG Telecommunication NWFP, an expenditure of Rs.3,00,000/- was incurred during the year 1998-99 for the purchase of spare parts despite the fact that such parts worth Rs.1,86,693 were also lying in balance with the Department. The spare parts were sent to DPO, Dir without any demand, who returned the same that no such vehicle, in which the parts could be used, was available with them. Consequently the Government was put to loss.

52. The Department explained that office of AIG Telecommunication was functioning centralized store and was responsible for the purchase of spare parts for the vehicles of the whole of the Province. The parts could not be utilized due to auction of the vehicle for which it was purchased. However the same were still available. The Finance Department contended that in the police Department centralized purchased was being made, and procedure for the said purchase was too tough, therefore, anticipatory purchases were usually made, which was not a serious irregularity.

53. The explanation of the Department was accepted and the para was recommended to be dropped with the observation that the spare parts available with the Department, if not required, may be put to auction under the rules to avoid further loss to the Government.

DP No. 9.28 **NON-DEPOSIT OF RECEIPTS INTO GOVERNMENT TREASURY AMOUNTING TO Rs.4.49.393/-.**

54. Similar nature DP No. 7.2 for the year 2003-04 of private fund was referred to Sub-Committee, hence this para was also linked with the same to be discussed/examined by the said forum. The Chairman asked the Audit as to whether the said fund formed as part of Provincial consolidated fund/Budget. They replied in negative. At this juncture, he observed that PAC could take cognizance of such amount authorized by the Assembly, and if the private fund was not reflected in the budget books, then how the PAC or Audit had the jurisdiction to intervene. The Chairman directed the Sub Committee that while considering the paras referred to it, this point may also be taken into account. Para stands.

DP No. 9.29 **MISAPPROPRIATION IN PAYMENT OF PAY AND ALLOWANCES AMOUNTING TO Rs.4,42,944/-.**

55. The Audit reported mis-appropriation of Rs.4,42,944/- in pay and allowances. The Department explained that recovery had already been affected and disciplinary action initiated, which ended on the dismissal, though he was later on reinstated by the court.

56. The PAC accepted the explanation of the Department and dropped the para subject to verification that recovery was materialized.

DP No. 9.30 **UN-AUTHORIZED EXPENDITURE ON PAY AND ALLOWANCES AMOUNTING TO Rs.3,16,044/-.**

57. The Audit reported that in the office of DPO Tank against the sanctioned posts of 222 constables & 24 head constables pay & allowances for 227 constables and 27 head constables were drawn during 2002-03. This resulted into an excess expenditure of Rs.3,16,044/- which was unauthorized.

58. Subject to verification as to whether the drawal was according to SNE, the para would be considered as dropped. However, in case it was found otherwise, the para would be placed before PAC with the report of the verification Committee.

DP No. 9.31 **NON-DEPOSIT OF RECEIPTS INTO GOVERNMENT TREASURY AMOUNTING TO Rs.2,73,197/-.**

59. In view of plausible explanation of the Department, the para was recommended to be dropped.

DP No. 9.32 **IRREGULAR EXPENDITURE ON POL FOR OFF ROAD VEHICLES WORTH Rs.2,70,120/-.**

60. The Audit reported irregular expenditure on POL for off road vehicles of Rs.2,70,120/-. The Department explained ground realities in this regard saying that due to shortage of vehicle with the Department, case property vehicles were used for smooth running of Government works to control law and order situation and the POL was charged to the off road vehicles.

61. The PAC observed that this was an irregular practice, nevertheless, in view of ground realities as explained by the Department and their frank admission of the irregularity, the para was recommended to be dropped with the observation that such practice should not be repeated in future. In case of re-occurring of such Audit objection, this decision of the PAC will not be quoted as a precedent, the Committee, therefore, cautioned that the Department should be careful and avoid such practice in future.

DP No. 9.33 **IRREGULAR EXPENDITURE ON SPECIAL REPAIRS -Rs.2,37,000/-.**

62. The Audit reported that in the office of Deputy Inspector General Police, Special Branch, Peshawar, an expenditure of Rs.2,37,000/- was incurred during 2001-02 on special repairs of non residential buildings without estimates and technical sanction of the competent authority. The measurement book (MB) as required under the Rules was not maintained. The Expenditures of Rs.2,37,000/- were thus irregular.

63. After detailed discussion, the Committee recommended the para to be dropped subject to verification of record i.e. technical sanctioned MB etc, by Audit.

DP No. 9.34 **IRREGULAR EXPENDITURE ON POL AND REPAIR OF VEHICLES AMOUNTING TO Rs.2,24,364/-.**

64. The Audit reported that in the office of CPC Peshawar an expenditure of Rs.1,25,840/- was incurred during 2001-02 on repair and POL of vehicles which were off road and no entries were recorded in the logbooks. Similarly in the office of DIG/SB NWFP, Peshawar an expenditure of Rs.98,524/- was incurred on repair of 24 vehicles in one day i.e. 14/12/2001. Thus the expenditure of Rs.2,24,364/- was irregular.

65. The Department explained that all the record including the log book was ready and could be verified, subject to verification of log books of the vehicles, the para was recommended to be dropped.

DP No. 9.35 **LOSS ON ACCOUNT OF ELECTRICITY CHARGES AMOUNTING TO Rs.2,18,400/-**



66. The Audit reported that in the office of Superintendent, Central Prison Haripur, electricity connections were provided to 91 residential quarters in Jail colony from main office meter and Rs.2,18,400/- were collected from the occupants @ of Rs.200/- per quarter per month during 2000-01. The electricity charges were paid from the Government funds and the amount collected was neither paid as share of electricity charges nor deposited into Government treasury.

67. The Department could not give proper explanation about the deposit or other wise of Rs.2,18,400/- as reported by Audit. It only said that the electricity bills had been paid. The Audit coupled with PAC said that it did not involve the question of paying electricity bills. Three main questions before the committee remained unresolved i.e.:-

- Who authorized electricity connection to the quarters from the main meter installed in the office of Superintendent Jail.
- Was he empowered under the law to do so.
- What was the fate of Rs.2,18,400/-.

68. Consequently the para was referred to Verification Committee headed by Mr. Saqib Ullah Khan Chamkani, MPA to look into the matter as to whether the Superintendent or another authority was competent to allow connections from Government meter to private residence or otherwise and what was the fate of the amount reported by Audit.

DP No. 9.36 **LOSS ON ACCOUNT OF PAY AND ALLOWANCES AMOUNTING TO Rs.1,63,764/-**

69. The Audit reported that in the office of SP, FRP, D.I. Khan, 06 constable recruited, were terminated by the competent authority from the date of their appointment but pay & allowances amounting to Rs.1,63,764/- were paid to them. The amount was required to be recovered which was not deposited and the Government was put a loss.

70. In view of plausible explanation of the Department, that payment was made to the employees on account of their reinstatement by the court of Law from the date of their dismissal, the para was, therefore, recommended to be dropped.

DP No. 9.37 **LESS DEPOSIT OF FINE IN GOVERNMENT TREASURY AMOUNTING TO Rs.1,20,150/-**

71. The Audit reported that in the office of DPO Mansehra, a sum of Rs.18,09,288/- was recovered as traffic fine during 2003-04 out of which an amount of Rs.1,20,150/- was not deposited into Government Treasury.

72. The Department contended that full amount had been recovered. The para was, therefore, recommended to be dropped subject to verification of full recovery made by the Department.

**GENERAL.**

73. It was noted by the Committee with grave concern that the working papers provided by the Department were very poorly drafted. Supporting documents were not at all annexed with any para. All the time, the Department had to search the supporting materials i.e. vouchers, letters, actual payee receipts, enquiry reports, or court decisions in the file, which not only created problems for the Committee but the Department also had to face embarrassing situation. In most of the cases, the reply of the Department before the Committee was totally different than the one contained in the working paper. The DIG admitted himself that the reply mentioned in the working paper was incorrect. When asked by the Chairman, that it had been signed by the DIG and Secretary Home & Tribal Affairs, one had to cut sorry figure for the incorrect reply.

74. The PAC in such circumstances deferred further consideration of the remaining paras with the direction to the Department to prepare the working paper in proper way, annexing all supporting materials enabling the Committee to arrive at a just conclusion. Reply other than the one incorporated in the working paper would not be acceptable, therefore, the Department should carefully prepare all the replies and would not be allowed to back track from the one, before the Committee, the PAC directed.

-

**ENERGY & POWER DEPARTMENT.**

**OVERVIEW**

Two (02) draft paras reflected in the Audit Report for the year 2004-05 were taken up for examination by the Public Accounts Committee (PAC) in its meeting held on 16/04/2009.

2. The PAC having considered Audit's point of view and explanation advanced by the Department made recommendations on each para as under:-

**DRAFT PARAS**

DP. No.10.10 **UN-AUTHORIZED EXPENDITURE AMOUNTING TO Rs.3.128 MILLION.**

3. The Audit reported unauthorized expenditure of Rs.3.128 million incurred in the office of Project Director Malakand-III, on account of purchase of two KIA Gray Sportage Model 2003 Jeep. The expenditure was unauthorized on the following grounds:-

- Under S.No.9 of the SHYDO Delegation of Power rules 2001, the purchase of vehicle requires sanction of M.D., but no such sanction was obtained in the case of purchase of vehicle.
- The Consultants incurred expenditure of Rs.1.564 million on the purchase of one vehicle from the revolving fund without the approval from the client department.
- In the contract agreement, a sum of Rs.3.200 million was approved for purchase of 8 vehicles @ Rs.400,000/- per vehicle. Thus the payment of Rs.1.564 million per vehicle was unauthorized.
- It was the responsibility of the Project Director to receive the monthly bank statement of the revolving fund placed at the disposal of the consultant which was not provided.

4. The Department contended that Project Management Committee accorded approval to the purchase of the KIA Jeep, and Sedan Car with two Nos. pick ups. On the request of the consultant that due to the site condition and uncertain/prolong delivery of the car, the Committee approved Jeep instead of Sedan Car.

5. The Chairman asked whether under the delegation of power, M.D. was competent to accord sanction for the purchase of vehicle, why such sanction was not sought, the Department could not advance any satisfactory reply. Similarly, Mr. Saqib Ullah Khan Chamkani, MPA, questioned that instead of purchasing luxury jeep, why Suzuki Jeeps were not purchased, which were more economical than the one purchased, the Department did not submit plausible reply. Moreover, approval for such purchase should have been obtained prior to the purchase which was not done.

6. After detailed discussion the PAC directed that enquiry may be conducted in view of irregularities pointed out by the Audit and deliberations of the Committee, fix responsibility for such unauthorized expenditure and progress be reported to PAC. With the above observation the para was recommended to be dropped.

#### DP. No.10.40 **NON-PREPARATION OF FINANCIAL STATEMENTS AND ANNUAL REPORT OF THE SHYDO.**

7. The Audit reported non preparation of financial statement and annual report of the SHYDO. It was added that an expenditure of Rs.240.040 million was incurred on certain activities in Swat and Peshawar but neither statement was prepared nor report as provided under Section-23(1) of the SHYDO Act 1993, was laid before the Assembly.

8. The Department contended that selection of financial consultant for SHYDO was in process. The required statement/report will be submitted after hiring the consultant. The Chairman PAC referred to a decision of the PAC made in respect of DP No.1 incorporated in its report in which the Department vowed to complete the financial statement within six months. He regretted that after the lapse of years the Department could not finalize the said statement so far.

9. After detailed discussion the PAC directed that action may be taken against the officers who has not implemented the decision of the PAC made earlier in 2007 and report submitted to the Assembly. Moreover, the Department was directed to submit report on the conduct of affairs of the organization for the years including an analysis of its physical activities and financial statement for discussion in the next session of the Assembly, as explicitly provided in section23(1) of the SHYDO Act 1993. Para stands, progress be reported to PAC.

-

### **IRRIGATION DEPARTMENT.**

#### **OVERVIEW**

Thirty Eight (38) draft paras reflected in the Audit Report for the year 2004-05 were taken up for examination by the Public Accounts Committee (PAC) in its meetings held on 16/04/2009, 20/04/2009 & 21/04/2009.

2. The PAC having considered Audit's point of view and explanation advanced by the Department made recommendations on each para as under:-

#### **DRAFT PARAS**

#### DP No.10.1 **NON-RECOVERY OF OUTSTANDING AMOUNT OF ABIANA AMOUNTING TO Rs.50.563 MILLION + Rs.33.496 MILLION = Rs.86.059 MILLION.**

3. The Audit reported non recovery of outstanding amount of Abiana amounting to Rs.86.059 million. The Department explained that the amount related to two sub-divisions i.e. Swabi and Malakand. As regards Swabi, out of total recoverable amount of Rs.50.563 million a sum of Rs.20.563 million had been recovered and efforts were under way for recovery of balance

amount. With regard to Malakand, it was added that out of total recoverable amount of Rs.34.496 million, a sum of Rs.17.401 million had been recovered and efforts were being made to recover the balance amount.

4. The Department pointed out that there were many problems in the system due to which recovery under the said head was not conveniently affected. Due to devolution they had no magisterial system. For recovery as Land Revenue, the Department had to take up case with the DOR and because of red-tapism and other complications being faced, recoveries were delayed.

5. In order to resolve the issue and to give a foolproof system to the Department in this regard, the para was referred to Sub-Committee consisting of the following:-

1. Mr. Abdul Akbar Khan, MPA Chairman

2. Mr. Saqib Ullah Khan Chamkani, MPA Member

3. Mr. Muhammad Zamin Khan, MPA Member

6. The committee was directed to submit its report within a week.

7. The Department was directed to prepare working paper highlighting the problems being faced by them in recovery of Abiana dues and their proposals/suggestions and submit the same to the Assembly Secretariat for placing before the Sub-Committee.

DP No.10.2 **BLOCKAGE OF PUBLIC MONEY FOR Rs.20.00 MILLION.**

8. The Audit reported blockage of Government money for Rs.20 million on account of purchase of machines and equipment/furniture. The items were shown on the stock register as not available. The Audit produced photo copies of the stock register in support of their contention. The following items were reportedly shown missing:

S#	Items	Quantity
1	Sofa set	01
2	Centre Table	01
3	File Showcase	02
4	Visitor Chair	12
5	Easy Chair	06
6	Table for photo state machine	1
7	File copy board	5
8	Shelves	2
9	Brand New photo state	8
10	Brand New Typewriter	2
11	Office chair	14
12	Ministerial staff chair	148
13	office tables	10
14	office tables	147
15	Stool	18
16	Telephone set	15

17	Fax Machine	1
18	Greaser	1
19	Sofa set	1
20	Dinning Table	1
21	Single Bed	4
22	Side Table	2
23	Center Table	2
24	Bed Room Chairs	4
25	Fiber glass over head tank 100 gallon	1
26	Fiber glass over head tank 300 gallon	
27	Electric Motor 70 HP	1
28	Deep Freezer Waves double doors	1
29	Steel office equipment	45
30	Steel office equipment	12
31	Revolving chair	14
32	office chair	70

9. The Department could not submit any plausible explanation regarding availability of all the items. In such circumstances the PAC directed that the issue may be thrashed out by Inter Departmental Committee consisting of the representative of Audit, Finance, Law and Administrative Department within a week time and to submit report to the PAC. Department will convene the meeting of the IDC. Para stands and progress be reported to PAC.

DP No.10.3 **NON-RECOVERY OF OUTSTANDING GOVERNMENT DUES OF Rs.19.446 MILLION.**

10. The Audit reported non recovery of outstanding Government dues amounting to Rs.19.446 million against various contractors/Agencies in Misc P.W advances. The Department explained that almost 70% recovery was affected, and where recovery was not possible, case for write off sanction had been taken up with the Finance Department. The Members observed that the officer who had made advance payment to the contractor should have ensured to recover the same from his running bill. The Department said that major amount was recoverable from the Federal Government.

11. The PAC, after detailed discussion, directed that recovery already made may be got verified by Audit and efforts may be made to recover the balance amount. Para stands and progress be reported to PAC.

DP No.10.4 **UN-AUTHORIZED EXPENDITURE OF Rs.16.29 MILLION.**

12. In view of plausible explanation and production of comparative statement and tender form by the Department, the para was recommended to be dropped.

DP No.10.5 **IRREGULAR EXPENDITURE ON ACQUISITION OF LAND AMOUNTING TO Rs.8.46 MILLION.**

13. The Audit reported irregular expenditure of Rs.8.46 million on acquisition of land. Neither land acquisition nor mutation deed was made by the Revenue authorities. The Department explained that due to law and order situation, the Naryab Dam Project was not finalized. However, it was added that payment was not made to the land owners rather it was made to the DOR. If the mutation was made, the amount would be paid to individual owners. The explanation of the Department being plausible was accepted and the para was recommended to be dropped.

DP No.10.6 **IRREGULAR EXPENDITURE OF Rs.7.500 MILLION.**

14. The Audit reported irregular expenditure of Rs.7.500 million incurred on 18/06/2002 for distillation work etc. Neither proper estimate was prepared by the WAPDA nor PC-I and administrative approval of the competent authority was available. The Department explained that an agreement was executed for O&M cost sharing between WAPDA, the Punjab and NWFP Provinces for maintenance of CRBC main Canal. In view of the said agreement the amount in question was paid to WAPDA.

15. While going through the contract agreement it was mentioned at S.No.2 that the date of application of this formula would be reckoned from December 2003 i.e. on the expiry of one year test running period. Contrary to that agreement the Department has incurred the expenditure on 18/06/2002 i.e. one and half year prior to the exact period. The PAC observed that payment should have been made according to the agreement executed with the WAPDA, therefore, it directed that a case may be taken up with the quarter concerned for adjustment of the excess amount paid by the Department. It also directed that action may be taken against the officer on whose negligence excess amount was paid to WAPDA. Para stands and progress be reported to PAC.

DP No.10.7 **BLOCKAGE OF PUBLIC MONEY OF Rs.4.148 MILLION.**

DP No.10.8 **LOSS DUE TO NON-ADJUSTMENT OF RESERVE STONE Rs.3.861 MILLION.**

DP No.10.9 **LOSS DUE TO ALLOWING ESCALATION Rs.3.722 MILLION.**

DP No.10.11 **LOSS DUE TO PRE-TENDERING WORKS AT HIGHER PREMIUM Rs.2.269 MILLION.**

16. Since no DAC meeting was held therefore, the paras were referred to DAC for consideration and report.

DP No.10.12 **WASTEFUL EXPENDITURE AMOUNTING TO Rs.2.178 MILLION.**

17. The Audit reported wasteful expenditure of Rs.2.17 million incurred on the lift irrigation scheme Alla Dhand Dheri during 1989-90. The Department explained that as per agreement, maintenance of pump was responsibility of the elders of the area. Due to flood in Swat River and improper diversion of river flows, no maintenance of civil channel by the concerned irrigators, was made and hence the scheme became un-functional.

18. The PAC, in the public interest directed the Department to construct the channel in question to save the Government money already utilized on the scheme. With the above observation the para was recommended to be dropped.

DP No.10.13 **NON-DEPOSIT OF Rs. 2.013 MILLION INTO GOVERNMENT TREASURY.**

DP No.10.14 **LOSS OF RECTIFICATION OF DEFECTIVE WORK AMOUNTING TO Rs.1.63 MILLION.**

-

DP No.10.15 **LOSS DUE TO THEFT OF VEHICLE AMOUNTING TO Rs.1.200.63 MILLION.**

19. Since no meeting of DAC was held, therefore, the paras were referred to DAC for consideration and report.

DP No.10.16 **LOSS DUE TO THEFT AMOUNTING TO Rs.1.00 MILLION.**

20. The Audit reported loss due to theft amounting to Rs.1.00 million in Zaibi dam and Gandially dam Kohat which was neither Departmentally investigated nor the loss was reported to Government.

21. The Department explained that the theft of transformer happened when the site and electrification remained in the custody of Public Health Engineering Department. However, the PHE Department had lodged FIR with regard to theft, so the responsibility did not fall on small dams organization. As for as Gandially dam was concerned, the Department explained that there was no watch and ward staff to look after the stolen items. However, the Police Department was informed about the incident but with no result.

22. The Department further explained that law and order situation in the area was not good due to which such like incident was occurred. Mr. Saqib Ullah Khan Chamkani questioned the contention of the Department and said that if there was such worse law and order situation than why the equipment and items were installed without proper protection. The Department explained that the PHE Department had not handed over the site and machinery to the irrigation Department at that time and PHE would be in better position to explain it.

23. After detailed discussion the Committee referred the para to Sub-Committee consisting of the following to thrash out the issue and submit its report within one month.

1. Mr. Saqib ullah Khan Chamkani MPA, Chairman
2. Mr. Muhammad Zamin Khan MPA, Member
3. Mr. Fazal Shakoor Khan MPA, Member

24. The PHE Department will also be invited to the meeting.

DP No.10.17 **LOSS OF Rs.1.00 MILLION TO GOVERNMENT DUE TO NON RECOVERY OF WATER CHARGES.**

25. The Audit reported that in the office of Deputy Director Construction Small Dam Organization Kohat Division, an expenditure of Rs. one million was incurred on operation and maintenance of Zaibi, Palai and Gandaily dams during 2003-04. Water was allowed in irrigation system with out levying of water rates during the period and with out recovery of any charges.

26. The Department explained that without approval of PC-IV it could not levy the water rates and recover the water charges. However, after the approval of PC- IV, assessment had been made and recovery had been started since 2006.

27. Mr. Saqib Ullah Khan Chamkani, MPA questioned that PC-IV proper could be prepared within a period of two months, than why such a long period was spent in the approval of PC-IV.

28. The Department explained that PC-IV was prepared and sent to Finance Department for approval in 2005 and the same was approved in 2006 by Finance Department.

29. The Committee asked the representative of the Finance Department to explain reason for delaying the approval of PC-IV who could not respond properly.

30. The PAC therefore, referred the para to the Sub-Committee already constituted on DP No. 10.16 for detailed probe.

DP No.10.18 **WASTEFUL EXPENDITURE AMOUNTING TO Rs.9,99,820/-**

31. The para being of the same nature as DP No.10.17 hence referred to Sub-Committee constituted on DP. No.10.16 for detailed probe.

DP No.10.19 **UN-AUTHORIZED EXPENDITURE AMOUNTING TO Rs.9,50,000/-**

32. The Audit reported unauthorized expenditure of Rs.9,50,000/- incurred on POL charges of motorboats during 2002-03 out of the budget provision of work Repair and Maintenance of Bund.

33. The Department explained that all the three No. motorboats were on the charge of the Division which were used for sounding to determine and assess the needed stone to be dumped and for plotting of X-Sections. Since the expenditure on this account was relevant to R&M of Bunds and as such the same were provided in the PC-I for the object. The Provision in each fiscal year had been approved in the DDWP meetings.

34. The Audit objection was found baseless; the Committee recommended that the para may be dropped.

DP No.10.20 **OVERPAYMENT DUE TO ALLOWING HIGHER RATES AMOUNTING TO Rs.9,32,020/-**

35. The Audit reported overpayment due to allowing higher rates amounting to Rs.9,32,020/-

36. The Department explained that addendum showing revised rates had been provided in the Technical sanction.

37. The para was, therefore, recommended to be dropped subject to verification of record by Audit within a month.

DP No.10.21 **UN-AUTHORIZED EXPENDITURE AMOUNTING TO Rs.8,06,505/-**

38. The Audit reported in the office of Executive Engineering Paharpur Irrigation Division D.I. Khan, unauthorized expenditure amounting to Rs.8,06,505/- was incurred on the items of work, which were neither included in the PC-I nor approved by the Chief Engineer.

39. The Department explained that deviation was approved in the technical sanction by the competent authority and included in the revised PC-I.

40. Subject to verification of revised PC-I the para was recommended to be dropped.

DP No.10.22 **NON-DEPOSIT OF Rs.6,65,404/- INTO GOVERNMENT TREASURY.**

41. The Audit reported non deposit of Rs.6,65,404/- into Government Treasury.

42. In view of plausible explanation of the Department the para was recommended to be dropped.

DP No.10.23 **LOSS TO GOVERNMENT AMOUNTING TO Rs.6,48,000/-**

43. The Audit reported loss to Government amounting to Rs.6,48,000/- due to non assessment of lease amount.

44. In view of plausible explanation of the Department the para was recommended to be dropped.

DP No.10.24 **UN-AUTHORIZED EXPENDITURE AMOUNTING TO Rs.6,47,682/-**

45. The Audit reported that in the office of Executive Engineer Malakand Irrigation Division Malakand, an expenditure of Rs.6,47,682/- was incurred on construction and maintenance of new outlets, culverts and water courses in violation of the canal and drainage Act. Thus the expenditure was irregular and unauthorized.

46. The Department contended that in the DAC meeting the para was recommended for settlement subject to the verification of technical sanction and Administrative approval.

47. The Committee, therefore, recommended that the para may be dropped subject to verification of record by Audit within one month.

DP No.10.25 **WASTEFUL EXPENDITURE AMOUNTING TO Rs.6,08,208/-**

48. The Audit reported wasteful expenditure amounting to Rs.6,08,208/-

49. In view of plausible explanation of the Department the para was recommended to be dropped.

DP No.10.26 **IRREGULAR EXPENDITURE AMOUNTING TO Rs.5,69,195/-**

50. The Audit reported irregular expenditure amounting to Rs.5,69,195/-

51. In view of plausible explanation of the Department the para was recommended to be dropped.

DP No.10.27 **OVERPAYMENT DUE TO NON ADJUSTMENT OF THE AVAILABLE BRICKS AMOUNTING TO Rs.5,22,006/-**

52. The Audit reported overpayment due to non adjustment of the available bricks amounting to Rs.5,22,006/-

53. In view of plausible explanation of the Department the para was recommended to be dropped.

DP No.10.28 **OVERPAYMENT DUE TO NON ADJUSTMENT OF STEEL AND BRICKS AMOUNTING TO Rs.4,47,646/-**

54. In view of plausible explanation of the Department the para was recommended to be dropped.

DP No.10.29 **OVERPAYMENT DUE TO INCORRECT APPLICATION OF RATES Rs.3,66,805/-**

55. Since no DAC meeting was held, therefore, the para was referred to DAC for consideration and report.

DP No.10.30 **UN-AUTHORIZED EXPENDITURE ON WILLFUL CHANGE OF SITE AMOUNTING TO Rs.3,33,430/-**

56. The Audit reported that in the office of Executive Engineer, Paharpur Irrigation Division D.I. Khan, PC-I three schemes costing Rs.3,33,430/- were approved during 2003-04, but the sites of the schemes were changed without revision of PC-I. The expenditure was thus irregular and unauthorized. In the DAC meeting held in September 2005, the Department was directed to produce revised PC-I and technical sanction, but it could not produce the same.

57. The Department explained that revised PC-I was available and could be verified by Audit. It produced PC-I on this occasion which was verified by Audit, hence the para was recommended to be dropped.

DP No.10.31 **NON-ACCOUNTAL OF STORE AMOUNTING TO Rs.2,74,000/-**

58. The Audit reported non accountal of store amounting to Rs.2,74,000/- in the Paharpur Irrigation Division D.I. Khan.
59. Since no DAC meeting was held, therefore, the para was referred to DAC for consideration and report.

DP No.10.32 **LOSS DUE TO NON-DEPOSIT OF GOVERNMENT RECEIPTS AMOUNTING TO Rs.2,09,773/-**

60. The Audit reported that in the office of Executive Engineer, Swabi Irrigation Division, Swabi a sum of Rs.2,09,773/- collected on account of abiana by 5 Patwaries during 2003-04, was not deposited into Government treasury. Thus the Government was put to a loss of Rs.2,09,773/-.
61. The Department explained that the amount involved in the para, had been recovered from the concerned Patwaries and deposited into Government treasury. Moreover, proper inquiry in this regard had been conducted and responsible punished.
62. The Audit objected that minor penalty of stoppage of increment imposed upon the responsible was doubtful as there was no mention of the words i.e., accumulative effect or without accumulative effect. The Chairman, therefore, asked the Department that under what rules, the inquiry had been completed. The Department replied that action had been completed under E&D rules. The Chairman clarified that in presence of Removal From Services (Special Power) Ordinance 2000, action could not be initiated under E&D rules.
63. After detailed discussion, the para was recommended to be dropped subject to verification of record by Audit with the instruction to the Department to initiate action and hold a fresh inquiry against the responsible official under Removal From Services (Special Power) Ordinance 2000.

DP No.10.33 **BLOCKAGE OF FUNDS AMOUNTING TO Rs.204045/-**

64. The Audit reported that advance payment of Rs.2,04,045/- was made to Executive Engineer, Kohat Irrigation Division for Chackbandi work of Naryab and Changhoz Dams during the year 2002-03. Neither the dams were handed over to the Executive Engineer Kohat Irrigation Division Kohat nor the Chackbandies works were completed till 2004. Government funds amounting to Rs.2,04,045/- were thus unnecessarily blocked.
65. The Department explained that no blockage of public money was involved as the payment had been made according to requirements and the interest of irrigation Department.
66. The explanation of the Department being plausible was accepted and the para was recommended to be dropped subject to verification of record by Audit.

DP No.10.34 **IRREGULAR EXPENDITURE ON CONSTRUCTION OF OUTLETS AMOUNTING TO Rs.2,00,000/-**

67. The Audit reported irregular expenditure on construction of outlets amounting to Rs.2,00,000/-
68. The Department explained that as per decision of DAC, Mr. Mir Alam, Accounts officer of Secretary Irrigation Office had visited the site along with the staff and verified the said outlets on spot. The Audit admitted the contention of the Department and said that verification certificate under the signature of the said Accounts officer be produced, but the Department could not produce the same at the moment.
69. The PAC, therefore, kept the para pending for production of verification certificate to Audit by tomorrow.
70. On 23/04/2009, the Department produced verification certificate before the Committee which was verified by Audit and the para was, therefore, recommended to be dropped.

DP No.10.35 **UN-AUTHORIZED EXPENDITURE AMOUNTING TO Rs.1,95,384/-**

71. The Audit reported that in the office of Executive Engineer, Paharpur Irrigation Division D.I. Khan, an expenditure of Rs.4,95,234/- was incurred on a work "Desiltation of Paharpur Distributory" against the estimated cost of Rs.2,99,850/-. Thus 45% excess expenditure of Rs.1,95,384/- was incurred which was unauthorized. In the DAC meeting, the Department replied that the cost as a whole was within the approved PC-I. DAC did not agree and directed to produce relevant record for verification but it was not produced.
72. The Department explained that all relevant record was available and could be produced for verification.
73. The Committee, therefore, directed the Department to show the relevant record to Audit. The record was verified on the spot and the para was recommended to be dropped.



DP No.10.36 **UN-AUTHORIZED EXPENDITURE AMOUNTING TO Rs.1,93,048/-**

74. The Audit reported unauthorized expenditure amounting to Rs.1,93,048/- incurred on work charge establishment against the Provincial Component for land acquisition of Naryab Dam during 2003-04.

75. The Department explained that as per decision of DAC the relevant record i.e. Approved PC-I was available and could be verified by Audit. The record was verified on the spot, hence the para was recommended to be dropped.

DP No.10.37 **LOSS DUE TO TEMPERING IN ORIGINAL QUOTED RATES AMOUNTING TO Rs.1,42,691/-**

DP No.10.38 **NON-RECOVERY OF ELECTRICITY CHARGES AMOUNTING TO Rs.1,31,000/-**

DP No. 10.39 **NON-PRODUCTION OF AUDITABLE RECORD.**

76. Since no meeting of DAC was held in these Paras, therefore, the same were referred to DAC for consideration and report.

**GENERAL-I**

77. The PAC has time and again directed the Departments to hold DACs meeting before coming to PAC so as to sort out the petty nature paras at that forum and to present a clear picture to PAC. DAC are such forum that not only streamline the financial discipline but also make easy the job of PAC. It was noted that Irrigation Department had not conducted DACs as a result several paras which could have been settled earlier, were brought to PAC. The Committee could not arrive at any decision as the same were not thrashed out in DAC. Therefore, these paras were again referred to DAC for reconsideration and presenting a clear picture to PAC within one month.

**GENERAL-II**

78. During the course of discussion it was noted by the Committee that Department usually did not complete revised PC-I within stipulated time, resultantly Audit objection was raised and ultimately the para come to the PAC for discussion. If the revised PC-I is approved in time, such objections can easily be settled at lower level. The Committee, therefore, directed the Department that in future revised PC-I should be completed/approved within the stipulated time to avoid Audit objection.

-

**GOVERNOR'S SECRETARIAT.**

**OVERVIEW**

Two (02) draft paras reflected in the Audit Report for the year 2004-05 were taken up for examination by the Public Accounts Committee (PAC) in its meeting held on 21/04/2009.

2. The PAC having considered Audit's point of view and explanation advanced by the Department made recommendations on each para as under:-

**DRAFT PARAS**

DP No. 7.1 **NON-PRODUCTION OF AUDITABLE RECORD OF DISCRETIONARY GRANT AMOUNTING TO Rs.13.526 MILLION.**

3. The Audit reported non production of auditable record of discretionary grant amounting to Rs.13.526 million.

4. The Department explained that utilization certificates/vouchers covering major amount of Rs.9.176 million out of Rs.13.526 million had been received and could be produced on the spot whereas for the remaining amount, efforts were in progress. The Para upto the extent of 9.176 million was recommended to be dropped subject to verification of record by Audit. For the remaining amount, the Committee directed the Department to obtain utilization certificates/vouchers from the concerned or respective DCOs within one month failing which recovery may be affected after fixing responsibility. Para stands. Progress be reported to PAC.

DP No. 7.2 **UN-AUTHORIZED EXPENDITURE AMOUNTING TO Rs.2.943 MILLION.**

5. The Audit reported un authorized expenditure amounting to Rs.2.943 million.

6. The para was recommended to be dropped in view of verification of relevant record in pre-PAC meeting held on 08/04/2008.

-

-

### **LAW, PARLIAMENTARY AFFAIRS AND HUMAN RIGHTS DEPARTMENT.**

#### **OVERVIEW**

Four (04) draft paras reflected in the Audit Report for the year 2004-05 were taken up for examination by the Public Accounts Committee (PAC) in its meeting held on 22/04/2009.

2. The PAC having considered Audit's point of view and explanation advanced by the Department made recommendations on each para as under:-

#### **DRAFT PARAS**

##### **DP.No.11.1 NON PRODUCTION OF AUDITABLE RECORD AMOUNTING TO Rs.9,94,000/-.**

3. The Audit reported that in the office of Secretary, Law Department NWFP, an expenditure of Rs.9,94,000/- was incurred for arranging workshops to discuss the proposed Hisba Bill during November 2003 and June but record was not produced to Audit for verification. Moreover despite repeated reminders DAC meeting was not arranged.

4. The Department explained that record was available and could be shown to Audit for verification.

5. The Committee noted with grave concern that the Department had not convened the meeting of DAC. Moreover, the vouchers attached with working paper were un-attested and internal Audit was not conducted.

6. The para was, therefore, kept pending with strict direction to the Department that DAC meeting may be convened and provide all relevant documents to Audit for verification and report may be submitted to PAC with in one month. Para stands.

### **PESHAWAR HIGH COURT, PESHAWAR.**

##### **DP.No.11.2 NON RECONCILIATION OF RECEIPTS AMOUNTING TO Rs.8,38,950/-**

7. The Audit reported that in the office of District and Sessions Judge, Kohat, an amount of Rs.8,07,450/- was realized on account of fines but reconciliation with treasury office was not carried out. The amount of Rs.31,500/- was not deposited in the treasury, which was required to be deposited and reconciliation of Rs.8,38,950/- be carried out.

8. The Department explained that according to receipt statement verified by District Accounts Officer, Kohat, total amount on account of fines during the year 2001-02 was Rs.8,07,450/-. The disputed amount i.e. Rs.31,500/- related to financial year 2002-03 and the said amount had also been deposited in to Government treasury.

9. The explanation of the Department being plausible was accepted and the para was recommended to be dropped.

##### **DP.No.11.3 MIS-APPROPRIATION OF MEDICAL RE-IMBURSEMENT CHARGES AMOUNTING TO Rs.3,06,061/-**

10. The Audit reported that in the office of District and Sessions Judge, Kohat, an expenditure of Rs.3,06,061/- was incurred on account of medical reimbursement charges in respect of Nazir District Courts during June 2003. The official was shown admitted in Khyber Teaching Hospital Peshawar. The Hospital authorities had certified that they had no record of admission for medical treatment. The amount was thus misappropriated.

11. The Department was time and again requested to convene DAC meeting, but it did not arrange the meeting.

12. The Department produced original documents of treatment which were duly verified by Audit, hence the para was recommended to be dropped.

##### **DP.No.11.4 NON-PRODUCTION OF AUDITABLE RECORD AMOUNTING TO Rs.2,86,897/-.**

13. The Audit reported that in the office of Senior Civil Judge, Kohat an expenditure of Rs.2,86,897/- was incurred on the purchase of machinery during 2002-03. Relevant record for the purchase of machinery was not produced for audit. Moreover, DAC meeting was also not arranged.

14. The Deputy Registrar informed that DAC had now been constituted with the approval of Chief Justice. The Department was, therefore, directed to convene DAC meeting with in a month positively and the para along with other paras pertaining to access to Justice may be discussed. Para stands, progress be reported to PAC.

### **PLANNING & DEVELOPMENT DEPARTMENT.**

#### **OVERVIEW**

Eight (08) draft paras reflected in the Audit Report for the year 2004-05 were taken up for examination by the Public Accounts Committee (PAC) in its meeting held on 22/04/2009.

2. The PAC having considered Audit's point of view and explanation advanced by the Department made recommendations on each para as under:-

#### **DRAFT PARAS**

DP.No.12.2 **NON-RECOVERY OF MARK UP AMOUNTING TO Rs.8,24,580/-.**

3. The Audit reported non recovery of mark up amounting to Rs.8,24,580/-.

4. The PAC noted with grave concern that no DAC meeting was convened, therefore, the Department was directed to discuss same para in DAC meeting and report back to PAC. Para stands, progress be reported to PAC with in one month positively.

DP.No.12.3 **RETENTION OF MONEY BY THE BANK OF KHYBER Rs.5,95,000/-.**

5. The Audit reported retention of money by the Bank of Khyber amounting to Rs.5,95,000/-.

6. The Department explained that the amount had already been released and credited into borrowers account, hence the para was recommended to be dropped.

DP.No.12.7 **OVER PAYMENT DUE TO NON EXECUTION OF WORK AMOUNTING TO Rs.1,30,990/-**

7. The Audit reported over payment due to non execution of work amounting to Rs.1,30,990/-.

8. The Department explained that the amount had been recovered and credited into Government treasury but the Audit did not agree with the contention of the Department.

9. The PAC also noted with grave concern the irregularity of excess payment committed in execution of work and directed to hold meeting of Inter Departmental Committee (IDC) consisting of representatives of Finance, Law and Audit Departments to be constituted by the Department and fix responsibility with in one month. Works & Services Department was also directed to cooperate with IDC.

DP.No.12.8 **NON-RECOVERY OF PROFIT FROM THE VILLAGE ORGANIZATIONS AMOUNTING TO Rs.1,24,625/-.**

10. The Audit reported non recovery of profit from the Village Organizations amounting to Rs.1,24,625/-.

11. In view of plausible explanation of the Department, the para was recommended to be dropped.

DP No.12.1 **NON –RECOVERY Rs.2.070 MILLION.**

DP No.12.4 **OVERPAYMENT ON ACCOUNT OF ESCALATION**

**Rs.40,146/-.**

DP No.12.5 **OVERPAYMENT DUE TO ALLOWING EXCESS RATE Rs.1,47,831/-.**

DP No. 12.6 **OVERPAYMENT DUE TO ACCEPTANCE OF HIGHER PREMIUM Rs.138,739/-.**

12. Working paper of the paras was not supplied. The Department explained that the paras relate to project which was closed by then and record was not traceable, hence it requested for some time so that the record could be traced out and presented before, PAC.

13. The PAC taking a lenient view deferred the paras with the direction to provide record by 1<sup>st</sup> July 2009.

-

## WORKS & SERVICES DEPARTMENT.

### OVERVIEW

Twenty Eight (28) draft paras reflected in the Audit Report for the year 2004-05 were taken up for examination by the Public Accounts Committee (PAC) in its meeting held on 24/04/2009, 25/04/2009 & 28/04/2009.

2. The PAC having considered Audit's point of view and explanation advanced by the Department made recommendations on each para as under:-

### DRAFT PARAS

#### DP No.14.1 BLOCKAGE OF FUNDS AMOUNTING TO Rs.543.176 MILLION

3. In view of provision contained in FHA Ordinance allowing non lapsable accounts, the para was recommended to be dropped.

#### DP No.14.2 NON-RECOVERY OF OUTSTANDING LIABILITIES AMOUNTING TO Rs.287.618 MILLION.

4. The Audit reported non recovery of outstanding liabilities amounting to Rs.287.618 million incurred on Nowshera Chakdara Chitral road during 2003-4. As construction work was transferred from FHA to NHA, therefore the amount was required to be recovered from NHA, which was not done.

5. The Department explained that a sum of Rs.249.337 million had been recovered. During the course of discussion, the Audit asked for agreement deed executed between FHA and NHA, because it was the main document under which the recovery, as contended by Audit, could be established, but the same was not readily available.

6. The PAC therefore, decided to refer the para to Sub Committee consisting of Mr. Saqib Ullah Khan Chamkani, MPA and Mr. Muhammad Zamin Khan, MPA, to thrash out the issue as colossal amount was involved. The Audit and Finance both were directed to jointly frame issue about this para and submit a copy of the same to Assembly Secretariat for onward submission to the Department for preparing working paper for consideration of the Sub Committee. The Department was also directed to submit agreement to the Sub Committee. The Sub Committee would submit its report within one month. Para stands.

#### DP No.14.3 UN-AUTHORIZED INVESTMENT OF Rs.100.00 MILLION.

7. Para stands for verification of the following documents/points

- (i) whether the amount invested pertains to security of contractor;
- (ii) Whether investment was in line with the decision of Council of FHA.
- (iii) What is the fate of interest received on the deposits?

#### DP No.14.4 NON-RECOVERY OF BID MONEY AMOUNTING TO Rs.44.250 MILLION.

8. This para was kept pending for want of agreement, which would be produced by the Department on Monday, the 27<sup>th</sup> instant.

#### DP No.14.6 BLOCKAGE OF FUNDS AMOUNTING TO Rs.25.114 MILLION

9. In view of plausible explanation of the Department, the para was recommended to be dropped.

#### DP No.14.8 IRREGULAR EXPENDITURE AMOUNTING TO Rs.10.511 MILLION

10. In view of plausible explanation of the Department, the para was recommended to be dropped.

DP No.14.13 **NON-RECOVERY OF RENT AMOUNTING TO Rs.3.600 MILLION**

11. The Audit reported that in the office of Frontier Highways Authority, an amount of Rs.3.600 million on account of 300 shops located in main Tehsil Bazaar Charsadda was not recovered during 2003-04. The amount be recovered and credited into Government treasury. DAC did not agree and directed to recover the amount.

12. The Department explained that all out efforts are being made, notices through press alongwith wide publicity, have been issued by the FHA to the concerned person.

13. The Committee was not satisfied with the explanation of the Department as huge amount was involved, hence the para was referred to Sub-Committee consisting of Mr. Saqib Ullah Khan Chamkani, MPA and Mr. Muhammad Zamin Khan, MPA. The Department was directed to provide all the relevant record pertaining to these shops to the Sub-Committee and report be submitted within one month.

DP No.14.14 **UN-AUTHORIZED EXCESS EXPENDITURE AMOUNTING TO Rs.3.233 MILLION.**

14. In view of plausible explanation of the Department, the para was recommended to be dropped.

DP No.14.15 **LOSS DUE TO EXCESS PAYMENT AMOUNTING TO Rs.3.194 MILLION.**

15. The Audit reported that in the office of Managing Director Frontier Highways Authority, a supplier was paid Rs.25.114 million for supply of two sets of steel replacement bridges of 110 feet span each including accessories and services against contract price of Rs.20.920 million during 2003-04. Thus the Government was put to a loss of Rs.3.194 million. In the DAC meeting held in November 2005, The Department was directed to produce approved copy of PC-1 in support of expenditure within a week.

16. The Department explained that copies of PC-1 and approval of competent authority was available and could be shown to Audit for verification.

17. In view of explanation of the Department the para was kept pending for want of relevant record by Monday the 27<sup>th</sup> instant.

DP No.14.17 **LOSS DUE TO CLOSING OF CONTRACT AMOUNTING TO Rs.2.760 MILLION.**

18. In view of plausible explanation of the Department, the para was recommended to be dropped.

DP No.14.19 **UN-AUTHORIZED EXPENDITURE AMOUNTING TO Rs.1.909 MILLION.**

19. In view of plausible explanation of the Department, the para was recommended to be dropped.

DP No.14.21 **NON-RECOVERY OF SECURED ADVANCE AMOUNTING TO Rs.1.512 MILLION.**

20. In view of plausible explanation of the Department, the para was recommended to be dropped.

DP. No.14.7 **NON-RECOVERY OF MOBILIZATION ADVANCE AND INTEREST WORTH Rs.15.746 MILLION.**

21. The Audit reported non recovery of mobilization advance and interest amounting to Rs.15.746 million from Contractors. It was added that the para was discussed in DAC meeting, wherein it was directed to produce sanction of Finance Department regarding payment of interest free mobilization advance within a month.

22. The Department produced Order of the Federal Finance Ministry regarding free mobilization advance, bank guarantee and details of recovery made. It explained that 14% interest was not applicable for the project in question being ADB assisted which are exempted from interest. The PAC demanded project documents, which were not available at the spot, therefore, the Department requested for time for submission of the same to PAC by tomorrow i.e. 28<sup>th</sup> instant.

23. The Committee, therefore, kept the para pending for production of project documents till 28/04/2009.

24. The documents were produced on 28/04/2009 and were verified by Audit and Finance Department, hence the para was recommended to be dropped.

DP. No.14.12 **NON-RECOVERY OF OUTSTANDING STORES Rs.3.929 MILLION.**

25. The Audit reported non recovery of outstanding store worth Rs.3.929 million from the Contractor. The amount should have been cleared in the final bill of the contractor. The Audit observation related to the following divisions:-

1. Building Division, Swat. Rs.3,76,666/-
2. C&W Division, Nowshera Rs.14,56,000/-
3. C&W Division, Batagram Rs.20,96,000/-

26. It was added that the para was discussed in DAC meeting, wherein it was decided to affect recovery and fix responsibility for non recovery of store in time.

27. With regard to Swat Division, the Department said that full recovery had been affected and provided list showing adjustment of the outstanding amount against the contractor, which was strongly objected to by Audit saying that the said document showed only adjustment made from the withheld amount of other contractor and it did not cover the recovery from the contractors against whom it was outstanding. Moreover, it was added that under para 399 (iii) of CPWA code, balances under public works deposit unclaimed for more than (3) three years should have been credited to Government treasury as lapsed deposit. It was pointed out that in this case, the Department was attracting the unclaimed adjustment towards recovery, which should otherwise have been deposited into Government treasury as provided in the rule ibid.

28. The Department could not advance any plausible explanation to the Audit version. At this juncture, the PAC observed with anguish that the Department, after the lapse of more than four years, did not implement the decision of DAC in its true spirit. Neither recovery had been made from the concerned contractors nor proper inquiries were conducted for fixing responsibility for not recovering the store and now irregular and illegal adjustment of the amount is shown to PAC. It observed that in view of the provision of CPWA Code and para 19 of GFR, such recovery should have been made immediately from the final bill of the contractor, which had not been made in this case. It was therefore decided by the Committee that recovery be made from the contractors according to their share within one month positively, with further direction to conduct Departmental enquiry for fixing responsibility for non recovering the amount from their final bill as required by the law. Progress be reported to PAC within one month. Para stands. This decision also covers C&W Division Nowshera and Batagram.

DP. No.14.20 **UN-AUTHORIZED EXPENDITURE AMOUNTING TO Rs.1.641 MILLION.**

29. In view of plausible explanation of the Department, the para was recommended to be dropped.

DP. No.14.28 **LOSS TO GOVERNMENT DUE TO LESS RECOVERY AMOUNTING TO Rs.1.53.000/-.**

30. In view of satisfaction of Audit that recovery has been made, the para was recommended to be dropped.

DP. No.14.9 **NON-CREDITING OF LAPSED DEPOSITS AMOUNTING TO Rs.5.674/-MILLION.**

31. The Audit reported non crediting of lapsable deposits amounting to Rs.5.674 million into Government Accounts.

32. The Department explained that the amount shown by Audit was incorrect. Exact figures were Rs.53,94,006/-. Moreover a sum of Rs.36,67,671/57 was lying unclaimed, which had been credited to Government account while the balance amount of Rs.17,37,759/- had been released to the concerned contractors on completion of works.

33. The PAC after detailed discussion directed that reconciliation of the accounts should be carried out within one month to know the factual position. Moreover the Committee showed its displeasure that the provision of para 399 (iii) of CPWA Code was not followed by the Department, rather it acted in clear violation of it. The PAC therefore, directed that in future the dealing hands must adhere to the provision of law and rules on the subject. Para stands, out come of reconciliation be reported to PAC.

DP. No.14.11 **NON-RECOVERY OF GOVERNMENT DUES WORTH Rs.5.029 MILLION.**

34. The Audit reported non recovery of Government dues worth Rs.5.029 million. The amount involved in the para was due to be recovered from the officer/officials and contractors on account of losses, retrenchments and outstanding store.

35. The Department explained that as per DAC decision enquiry was conducted in the matter and sent to Finance Department for appropriate action which was still awaited. The Finance Department replied that the same was not traceable, it further explained that the Department also failed to pursue the case with Finance Department.

36. Reply of the Department as well as Finance, was not satisfactory, therefore, the PAC decided to refer the para to Sub Committee consisting of Mr. Saqib Ullah Khan Chamkani, and Muhammad Zamin Khan, MPAs to have a detailed probe into the matter. The Sub Committee should submit its report within one month. Para stands.

DP. No.14.24 **LOSS DUE TO NON-IMPOSITION OF PENALTY AMOUNTING TO Rs.7,47,100/-.**

37. The Audit reported loss due to non imposition of penalty of Rs.747,100 on account of non completion of work in time. The Department contended that due to non completion of work in time, fine at the rate of 1.50% amounting to Rs.1,35,930/- had been imposed and adjusted vide TEO No.1 for the month of 2/2009.

38. Mr. Abdul Akbar Khan, MPA coupled with Mr. Muhammad Zamin Khan, MPA observed that the work was to be completed in 1996, which was completed in 2001. Penalty should have been imposed in 2001. Had it not been pointed out by Audit, penalty would not have been imposed. They lamented that DAC in 2005 directed recovery but the officer sitting at the helm of affairs kept his eyes closed and did not bother to implement the decision of DAC. Recovery was made in 2009, just with the fear of PAC, when the meeting of the Committee was convened.

39. The Committee did not agree with the reply of the Department and observed with grave concern that penalty of 1.50% was in violation of the decision of DAC, therefore in view of abnormal delay in constructing the road, it directed that full recovery as pointed out by Audit and accepted by DAC, may be made from the contractor within six (6) months, with further direction that Departmental inquiry should also be conducted against the officer concerned for such abnormal delay in imposing the penalty. Para stands, progress be reported to PAC.

DP. No.14.25 **NON-PRODUCTION OF AUDITABLE RECORD AMOUNTING TO Rs.5,06,900/-.**

40. In view of explanation of the Department that payment had been made to DOR for further disbursement to the land owners, the para was recommended to be dropped. However, the Department was directed to vigorously pursue the case with DOR for getting the actual payment receipts, land award statement and mutation deed.

DP. No.14.10 **NON-RECOVERY OF HIRING CHARGES AMOUNTING TO Rs.5.520 MILLION.**

41. Since detail scrutiny was involved, as the PAC could not reach to the conclusion about the quantum of recoverable amount. Scrutiny of the log books of the road rollers was also involved, hence the PAC referred it to the Sub Committee consisting of Mr. Saqib Ullah Khan, MPA and Mr. Muhammad Zamin Khan, MPA to probe into the matter and submit report within one month. Para stands.

DP. No.14.23 **NON-RECOVERY OF HIRING CHARGES AMOUNTING TO Rs.1.050 MILLION.**

42. The Audit reported non recovery of hiring charges of Rs.1.050 million on account of motor grader issued to contractor at per hour/monthly rate. The para was subsequently discussed in DAC meeting, which directed to produce record regarding recovery of full amount for verification to Audit within 15 days, but with no action till date. The Department contended that this para was discussed in last PAC meetings, and was dropped, but the Committee did not accept the explanation of the Department because it was found that the para was not discussed by the PAC. The period of that para, which was relied upon, was absolutely different, in that case amount was realized but not deposited into Government treasury and in the present case the amount has not been recovered at all. Amount involved, nature of Audit objection and date of DAC meetings were found altogether different. Thus the Committee recommended that Departmental enquiry may be conducted and the amount involved may be recovered from the defaulters after fixing responsibility. Para stands, progress be reported to PAC.

DP. No.14.26 **NON-RECOVERY OF HIRING CHARGES AMOUNTING TO Rs.3,40,000/-**

43. The Audit reported non recovery of hiring charges of Rs.3,40,000/- from the Contractor. The Department vehemently admitted that the amount should be recovered as decided by the DAC. The PAC therefore, directed the Department to make recovery good within two months. Para stands progress be reported to PAC

DP. No.14.16 **NON-RECOVERY OF ADVANCES AMOUNTING TO Rs.2.978 MILLION.**

44. The Audit reported non recovery of advances of Rs.2.978 million from the contractor, despite ordering it by the DAC in its meeting. The Department briefly explained that in this case, enquiry was conducted which was defective, therefore, another enquiry was ordered which was yet to be finalized.

45. The Committee directed that enquiry should be conducted by Mr. Habib Ali, MD himself. The Committee wanted to give him one month time for its conclusion, but he requested for more time. The Committee, accepting his request, extended the time from one month to two months for submission of the report, however it directed that if the M.D. failed to submit the report within the stipulated period, then he will be held responsible. Para stands. Progress be reported.

DP. No.14.18 **NON-RECOVERY OF SECURITY DEPOSIT AND STAMP DUTY AMOUNTING TO Rs.1.934 MILLION.**

46. The Audit reported non-recovery of security deposit and stamp duty amounting to Rs.1.934 million on account of 2% earnest money and stamp duty.

47. The Department explained that 2% earnest money had been recovered from successful contractors at the time awarding tenders in the shape of call deposit and recovery of stamp duty had also been made on original tender cost as per rule.

48. In view of plausible explanation of the Department the para was recommended to be dropped subject to verification of record by Audit.

**DP. No.14.22 WASTEFUL EXPENDITURE AMOUNTING TO Rs.1.291 MILLION.**

49. The Audit reported that in the office of Executive Engineer, Highway Division, Mardan, an expenditure of Rs.1.291 million was incurred on the purchase of 67.75 ton bitumen @ Rs.19,200/- per ton on 04/04/1998, while a quantity of 13.67 metric ton bitumen was available in the store on 30/06/1992. Moreover, the Government of NWFP had imposed ban on the purchase of store in July, 1991. In the DAC meeting, the Department was directed to enquire the matter through Chief Engineer, Works & Services and submit report within a month.

50. The Department explained that during the period of ban, total bitumen of 13.67 metric ton was available in the stock which consisted of leaking drums being contaminated and not useable for patch repair work, so patch repair work of different roads was carried out from procurement of fresh bitumen in the interest of Government.

51. The contention of the Department was found unsatisfactory by the Committee, therefore, it showed displeasure and concluded that the Department has committed violation of ban on purchase of store and incurred huge amount on illegal purchase of bitumen despite the fact that the same was also available in store. The Committee observed that the Department had also failed to conduct enquiry in the matter. It observed that the auction was uneconomical and Department failed to implement the decision of IDC. It, therefore, referred the para to IDC consisting of Law, Finance & Audit Department under the Chairmanship of Mr. Muhammad Zamin Khan, MPA to probe into the matter and submit its report to PAC within one month. The Administrative Department will be responsible to notify the Committee and to convene meeting of IDC in consultation with the Chairman.

**DP. No.14.27 LOSS DUE TO TAMPERED TENDER DOCUMENTS AMOUNTING TO Rs.2.09,000/-.**

52. The Audit reported loss due to tampered tender documents amounting to Rs.2,09,000/-.

53. The Department distributed a fresh reply during the meeting which was found by the Committee totally different from reply available in working paper. The Committee observed with grave concerns such irregular practice of the Department, so it strictly directed the Department to be careful in future and whenever the Department intends to change its reply in the working paper, it would submit an application to the Assembly Secretariat in this regard and after permission the reply would be changed.

54. Moreover, it was also observed that documents of enquiry were found undated and without signature of Enquiry Officer on each page. It is intent of justice and it will be appropriate that the matter may be referred to Sub Committee consisting of Mr. Saqib Ullah Khan Chamkani, MPA and Mr. Muhammad Zamin Khan, MPA to examine and probe the matter and submit report within one month.

**DP. No.14.5 UN-AUTHORIZED EXPENDITURE OF Rs.40.339 MILLION.**

55. The Audit reported unauthorized expenditure of Rs.40.339 million.

56. The Department explained that the Project in question had been executed by the Director General, Second Urban Project, which did not fall under the administrative control of Works & Services Department. The PAC, therefore, directed Finance, Law and Audit Departments to look into matter that which Department has issued administrative approval and report progress to PAC para stands.

**PERFORMANCE AUDIT REPORT OF THE 1<sup>ST</sup> PROVINCIAL HIGHWAY PROJECT (MARDAN-SWABI ROAD)**

57. The report was come under consideration of PAC. At the outset the Committee noticed that no meeting of DAC was held to discuss the report. Therefore, it directed Department to arrange DAC meetings to discuss the report and decisions thereof may be incorporated in the working paper of PAC upto 1<sup>st</sup> July 2009.

**PENDING BUSINESS**

**ESTABLISHMENT & ADMINISTRATION DEPARTMENT ( 2002-03).**

**DP. No.1.2 NON-SUBMISSION OF DETAIL ADJUSTMENT ACCOUNT FOR (2002-03) Rs.13.143 MILLION.**



In view of plausible explanation of the Department, the para was recommended to be dropped with the observation that in future, adjustment account of the fund utilized be obtained from the person to whom fund is provided for medical treatment abroad.

#### **REVENUE & ESTATE DEPARTMENT (2001-02 & 2002-03)**

DP No.21 **DOUBLE PAYMENT OF RS.0.330 MILLION TO THE FLOOD**

(2001-02) **AFFECTEES.**

In view of certificates provided and satisfaction of Audit, the para was recommended to be dropped.

DP No.2.11 **UN-AUTHORIZED POSSESSION OF GOVERNMENT LAND.**

(2002-03)

2. The Audit reported that 5524 kanal and 73 marlas land at District Nowshera was in the possession of various persons since long. The land was illegally retained by private people. Neither a single penny of income had ever been recovered by the Department from the possessors nor efforts were made to vacate the same from illegal occupants. The issues were discussed in DAC meeting on 24.2.2004, wherein it was decided that departmental action would be taken against the occupiers.

3. This para was discussed in the PAC meeting held on 03/08/2007 and was referred to Sub Committee to probe into the matter but the issue remained unresolved due to dissolution of the Assembly and consequently it again came to PAC. The PAC showed its strong resentment over the casual attitude of the Department leaving huge government property at the mercy of illegal occupants and not taking any action against the illegal occupants. The Chairman remarked this as inefficiency on the part of departmental officers which tantamount to misconduct. Not taking action against illegal occupants gives birth to the impression that all such things are done with the connivance of the departmental officer. The department miserably failed to justify their silence over such huge property, therefore, the PAC constituted a sub committee consisting of Mr. Saqib Ullah Khan Chamkani, and Mr. Muhammad Zamin Khan, MPAs to probe into the matter and submit report within one month. It also directed the Department to take immediate action against all those illegal occupants getting the property vacated and report back to the Sub Committee. Similarly responsible officer of the respective period i.e. the period in which the issue was pointed out by the Audit, and then discussed at DAC level, may also be proceeded against under the Law and report back to PAC.

#### **LOCAL GOVERNMENT, ELECTION & RURAL DEVELOPMENT DEPARTMENT (2002-03).**

DP.No.7 **LOSS OF Rs.3,15,964/- TO THE GOVERNMENT DUE TO** (2002-03) **CHANGE IN RATES THROUGH INTERPOLATION.**

The Audit reported loss of Rs.3,15,964/- to Government due to change in rates through interpolation. It was pointed out by the Assembly Secretariat that this para was discussed in erstwhile PAC on 08/09/1998 as DP No.819 (95-96), which directed recovery after fixing responsibility with action against the inquiry officer for improper enquiry. In view of follow up by the PAC Cell, notices were reportedly issued to Mr. Liaqat Hayat Bhatti, Assistant Engineer and Mr. Abdur Rashid, Sub Engineer of defunct LG&RDD to deposit Rs.1,52,660/- by each of them. It was added that a sum of Rs.1,52,660/- was deducted at source from the pension documents, as intimated by the Department .

2. The para was again included in Audit Report for the year 2001-02, it was discussed and referred to Inter Departmental Committee for further scrutiny. Meeting of the IDC was held, but TMO Abbottabad did not produce measurement book, technical sanction and final bill to the Committee. He rather informed the Committee that despite his efforts the requisite record of Ex-Assistant Director, Local Government, Abbottabad could not be traced. Consequent upon the failure of the respective office for not submitting the record, the Committee could not investigate the matter.

3. The Committee during the course of discussion noted with heavy heart the failure of the Department for not tracing the important document which led to doubts that the record had been purposely displaced to keep the things in dark. The Members observed that there was proper handing and taking over system in each Department and in case of transfer or retirement of an officer/officials, record was properly handed over to the successor. The Chairman asked the Department as what action had been taken against the dealing hands for missing of record, the Department replied in negative. On a question by the Chairman, the Audit contended that Mr. Farid Khan, Assistant Director was the primary responsible officer for the misdeed of accruing loss to Government. The Committee was of the view that the Department should have taken action against the responsible officer for missing the record in question and similarly the controlling officer in whose period the interpolation was made in rates, should also be proceeded against under the rules. The Chairman observed that deduction from pension was wrong ibinitio. However, in order to know as to who was the primary responsible officer, further consideration of the para was deferred with the direction that the Secretary of the Department himself attend the meeting personally on 27/04/2009 with complete record.

4. The Secretary appeared before the Committee personally on 27<sup>th</sup> April and produced record. He also brought before the Committee the Supreme Court judgment stating that the apex Court has set aside the PAC decision. On a query by the Chairman, the Secretary admitted that record was produced to him by his subordinate just at the morning, and he assured that

action would be taken against the dealing hands for non production of record and misleading the PAC. While going through the judgment of the apex court it concluded that:-

"before parting with the judgment, we would also like to observe that as far as the Department is concerned, it has been allowed by the High Court to proceed against the delinquent officer as in indicative from concluding para of the impugned judgment which has been reproduced herein over and above, therefore, if at all the Department is interested it can proceed against them according to the Rules and Regulations not only for effecting the recovery of amount misappropriated by them but also by getting the cases registered and by initiating the Departmental proceedings as well, in accordance with the Law."

5. The Committee observed that in view of the judgment of the apex Court, the Department should have acted upon accordingly, but it deeply regretted that the dealing hands deliberately closed eyes on the spirit of the said judgment.

6. The Committee, therefore, directed the Department that stern action may be taken against all those officers/officials responsible for missing of record, mis-statement before the Committee or Audit, and not taking action in view of the judgment. Report may be submitted to PAC within two months. Para stands. Moreover, it also observed that Secretary of the Department being Administrative head and Principal Accounting Officer was responsible for all state of affairs of the Department and it really shows his inefficiency that he was not at all aware of what was going on at his lower formation. When the schedule of PAC meeting was circulated by the Assembly Secretariat, he should have minutely studied each and every para, and action on whatever para was supposed to be taken, he himself was bound to initiate action against delinquent. Mere the statement of the Secretary that certain record was just now produced before him, does not absolve him from the responsibility. On this laxity, the Committee showed its sombre displeasure.

### **GENERAL**

7. The Committee observed that the Departments were taking the decision of the DAC very light, so much so that decisions made are not implemented in its true spirit which is not fair on the part of the Departments. It, therefore, directed that in future all decisions made by the DAC, must be implemented in letter and spirit.

8. The Administrative Secretaries were directed to take note of such laxity of the concerned officers/officials for showing slackness in implementation of DAC directives and to initiate strict disciplinary actions against those responsible for non implementation of DAC directives.

### **ZAKAT, USHR, SOCIAL WELFARE & WOMEN DEVELOPMENT (2002-03)**

DP No.2.1 **INCORRECT MAINTENANCE OF CASH BOOK AND**

(2002-03) **UN-AUTHORIZED GRANT OF LOANS WORTH Rs.2.311 MILLION.**

The Audit pointed out the following irregularities in the accounts of Director Social Welfare Office:-

1. Grant-in-aid amounting to Rs.550,000/- was drawn from Government Treasury in June 1995 but was distributed on 24.8.1999.

2. Grant amounting to Rs.60,500/- and Rs.665,000/- were drawn in 6/1999 and 6/2000 respectively, but was kept for more than four years before its distribution in August, 1999.

3. Rs.1.000 (million) was drawn and shown utilized during 7/2001 to 2/2002, but was not entered in cash book.

4. Rs.32,000/- and Rs.3,500/- were granted as loan to the SO(G) without any authority. Furthermore, the Cash Book balance was not reconciled with the bank balance. In case the funds could not be utilized during the year, the same should have been surrendered to the Government well in time. In Departmental Accounts Committee meeting held in January 2004, it was decided that the Department will conduct an inquiry and responsibility will be fixed for the above irregularities. However, no compliance has been reported so far.

2. The Department was not in a position to respond to the Audit and Members queries correctly, therefore, the PAC directed that the Secretary should come up personally to the PAC on 24.4.2009. Moreover, the Committee observed that the enquiry had not been conducted as it should be, in view of the direction of DAC. The enquiry should have been conducted by the senior officer instead of nominating junior officer to have made a probe of the accounts of a senior officer. This point needed further elucidation to be made by the Administrative Secretary. Hence the para was kept pending.

3. The Secretary appeared before the Committee on 24/04/2009, emphatically concerned that the enquiry as pointed out by the PAC was wrong. The Audit added that the Department should produce the claims on which the funds were drawn. The budget was for the year and the amount drawn should have been immediately disbursed. The Committee noted that the amount drawn was kept in chest for 4-years, which was gross violation of financial rules. The Finance Department contended that the amount might have been drawn on fake bills.

4. The PAC directed to hold fresh enquiry regarding the points/irregularities raised in the Audit para and submit report and finding of enquiry of PAC. In addition, it was also directed that the Department should sit with the Audit and thrash out all documents regarding claim on which the funds were drawn. Para stands. Progress be reported to PAC.

#### **HIGHER EDUCATION, ARCHIVES & LIBRARIES DEPARTMENT (2001-02)**

DP No.8 **OVERPAYMENT OF Rs.28,37,680/- DUE TO GRANT OF**

(2001-02) **MEDICAL ALLOWANCE TO GAZETTED EMPLOYEES AND AT HIGHER RATES TO NON-GAZETTED EMPLOYEES.**

The Audit reported overpayment of Rs.28,37,680/- due to grant of medical allowance to gazetted employees and at higher rates to non gazetted employees in view of the decision of syndicate. The Department contended that the syndicate was authorized to allow medical allowance at the rate prescribed by the University from time to time. The Audit coupled with the Finance Department were of the view that the Universities authorities must follow Government pay and package & other financial policies and must not act unilaterally in such cases, otherwise rest of autonomous institution would also follow such precedents.

2. Mr. Abdul Akbar Khan, MPA pointed out that this was an issue which required in depth study of the rules of the University and policy of the Government, hence he suggested that this issue may be placed before the Law Reforms Committee for detail scrutiny so that the same could be brought in conformity with General Financial Rules. The Committee agreed to the suggestion of the hon'ble Member and referred it to Law Reforms Committee. The para was, therefore, kept pending.

DP No.9 **IRREGULAR AND UN-AUTHORIZED PAYMENT OF ORDERLY**

(2001-02) **ALLOWANCE AMOUNTING TO Rs.4,06,500/-.**

3. As per DP No.8.

DP No.12 **UN-AUTHORIZED PAYMENT OF Rs.2.676 MILLION DUE TO** (2001-02) **FEE SUBSIDY.**

4. As per DP No.8.

DP No.20 **UN-AUTHORIZED INVESTMENT TO THE TUNE OF Rs.55.650** (2001-02) **MILLION.**

5. As per DP No.8.

DP No.35 **NON-RECEIPT OF FURNITURE COSTING Rs.2,24,374/- FROM** (2001-02) **PAK GERMAN FIRM.**

6. The Audit reported non receipt of furniture costing Rs.224,374/- from Pak German Wood working centre Peshawar. The Department explained that it was an old issue related to the time prior to the bifurcation of the Education Department, therefore, the record was not available at that time. After great efforts the record had been procured which showed that a sum of Rs.2,21,03,890/- was not drawn and remained in PLA. Pak German had supplied furniture of the amount paid to them in advance which came to 50% of the total amount and no embezzlement was made. The Audit suggested that the stock register, disbursement of the furniture and its receipts needed to be verified. Para stands for verification as contended by Audit. Verification will be made within 15 days. Mr. Saqib Ullah Khan Chamkani, MPA will preside over the meeting of the verification of record.

#### **ENVIRONMENT DEPARTMENT (1997-98)**

DP. No.40 **MISAPPROPRIATION OF Rs.59,970/- ON ACCOUNT OF**

(1997-98) **FACTIOUS MUSTER ROLLS.**

The para was discussed in PAC meeting held on 12/08/2004 wherein the Department was directed to fix responsibility and to recover the amount from the defaulter with in three months.

2. The Department conducted inquiry which recommended that:-

"The Committee after going through the relevant record and hearing personally the concerned officers, submitted its report. According to the findings of the Inquiry Committee, no misappropriation was found to have been made by the concerned officers".

3. The PAC took serious note of such like affairs that the record i.e. the muster rolls and Form-7 etc. was produced to it during its meeting held on 12/08/2004 wherein it was scrutinized and found that there were cuttings in Form-7 and thumb impressions on the muster rolls were also found doubtful, hence recovery was ordered from the defaulting officers after fixing responsibility. It, therefore, over ruled the findings of the inquiry report and upheld the decision of previous PAC.

4. The Department was further directed to abstain from repeating such practice in future and implement the direction of PAC within a month time positively.

#### HEALTH DEPARTMENT

#### PENDING BUSINESS OF SUB-COMMITTEE (HEALTH) 2002-03.

#### GOVERNMENT LADY READING HOSPITAL

DP.No.6.1 LOSS OF Rs.6.76 MILLION ON ACCOUNT OF  
(2002-03) OPERATIONALIZATION OF C.T SCAN MACHINE.

#### HAYATABAD MEDICAL COMPLEX.

DP. No.1.1 NON DEPOSIT OF Rs.1.90 MILLION IN THE BANK ACCOUNT  
(2002-03) ON ACCOUNT OF HOSPITAL RECEIPTS.

The erstwhile Sub Committee, due to dissolution of the assembly, could not finalize its report, therefore, the paras were referred to Sub Committee already constituted in Draft Para No.13.3 of Population Welfare Department for scrutiny which will submit its report within one month.

#### PENDING BUSINESS OF INTER DEPARTMENTAL COMMITTEE (HEALTH) FOR THE YEAR 1997-98.

#### HAYATABAD MEDICAL COMPLEX

DP.No.29 LOSS OF Rs.3.6 MILLION.  
(1997-98)

2. In view of satisfaction of the Audit, the para was recommended to be dropped.

DP.No.49 NON DEPOSIT OF Rs.79,48,110/-.  
(1997-98)

3. In view of plausible explanation of the Department, the para was recommended to be dropped.

#### MENTAL HOSPITAL, PESHAWAR.

DP.No.15 MISAPPROPRIATION OF RS.17.11.297 ON ACCOUNT OF DIET (1997-98) CHARGES.

DP. No. 18 MISAPPROPRIATION OF Rs.11,00,050/-  
(1997-98)

DP. No.19 MISAPPROPRIATION OF EQUIPMENT AMOUNTING TO (1997-98) Rs.19,42,000/-

4. The Department explained that the earlier enquiry conducted was set aside by the court due to procedure lapses. It contended that another enquiry into the misappropriation is being conducted by the enquiry Committee which will be finalized within 15 days. The PAC directed the Department to finalize the enquiry and submit its report to PAC within 15 days. Para stands.

#### KHYBER MEDICAL COLLEGE.

DP. No. 68 **IRREGULAR DRAWAL OF RS.2,22,134/- ON ACCOUNT OF** (1997-98) **ELECTRICITY CHARGES.**

5. The main issue on which the Committee emphasized that why late payment of utility bills were made which caused payment of heavy surcharge. The Department said that due to non availability of funds, payment was delayed. However, the Department could not produce any proof regarding non availability of funds and efforts made for getting the same. The PAC directed the Department to submit budget figures duly reconciled by the Finance and Audit Departments in respect of November 1991 to April 1992, with documentary evidence, if any, supporting the efforts of the Department for asking funds from Finance Department. Para stands, progress be reported to PAC with in 15-days.

**GENERAL.**

**INTERNAL AUDIT.**

6. Internal Audit is one of the requirements of general financial rules. It plays a very important role to prevent and detect financial irregularities in an Institution. In various reports of the PAC, its importance was highlighted but regretted that the Departments do not pay any heed to the Committee decisions. It once again directed that the Administrative Secretaries must ensure internal Audit in all its subordinate offices and copy of the observation raised during internal Audit invariably be sent to Audit Department, and the respective officer who conducted the Internal Audit must also attend meeting of PAC in future.

**FOOD DEPARTMENT (2002-03)**

DP.No.10 **BLOCKAGE OF GOVERNMENT MONEY AMOUNTING TO**

(2002-03) **Rs.5.06 MILLION.**

The Audit reported blockage of Government money amounting to Rs.5.06 million. This para was previously discussed in the PAC meeting held on 27/07/2007. The main observation of the Audit was that 100 kanal land at Bannu and 100 kanal land at Sakhakot was purchased by the Food Department for construction of godown but after the lapse of 20 years, no work was executed. The said land at Bannu was leased out to one Haji Banoor Khan at the rate of Rs.35,000/- per annum for the period of 3 years. This para was referred to the Sub-committee by the erstwhile PAC however due to dissolution of the Assembly, the Committee could not finalize its report.

2. The said para is, therefore, again referred to the Sub-committee consisting of the following for detail probe:-

1. Mr. Saqib Ullah Khan Chamkani, MPA.
2. Mr. Zamin Khan, MPA.
3. Mr. MukhtiarAli, MPA.

**IRRIGATION & POWER DEPARTMENT(2001-02 & 2002-03)**

DP No. 04 **LOSS OF Rs.27.788 MILLION TO GOVERNMENT DUE TO NON-**

(2002-03) **EXECUTION OF WORK AT RISK AND COST OF CONTRACTOR.**

The Audit reported loss of Rs.27.788 million to Government due to non execution of work at risk and cost of contractor.

2. The para was earlier referred to Sub-Committee which could not finalize its task, therefore, the Committee re-constituted a fresh Sub-Committee consisting of the following to probe into the matter and submit its report within one month:-

1. Mr. Abdul Akbar Khan MPA, Chairman
2. Mr. Fazal Shakoor MPA, Member
3. Mr. Muhammad Zamin Khan MPA, Member

DP No. 10 **LOSS OF Rs.9,25,000/- TO PUBLIC EXCHEQUER DUE TO**

(2002-03) **EXECUTION OF DEFECTIVE WORK.**

3. The Audit reported loss of Rs.9,25,000/- to public exchequer due to execution of defective work.

4. This para was also earlier referred to Sub-Committee which could not finalize its task, therefore, the Committee re-constituted a fresh Sub-Committee consisting of the following to probe into the matter and submit its report within one month:-

1. Mr. Fazal Shakoor, MPA, Chairman
2. Mr. Muhammad Zamin Khan, MPA, Member

DP No.14 **NON-RECOVERY OF Rs.2.19 MILLION ON ACCOUNT OF**

(2002-03) **MOBILIZATION ADVANCE ALONGWITH PROFIT.**

5. The Audit reported non-recovery of Rs.2.19 million on account of mobilization advance along with profit.

6. This para was also earlier referred to Sub-Committee which could not finalize its task, therefore, the Committee re-constituted a fresh Sub-Committee consisting of the following to probe into the matter and submit its report within one month.

1. Mr. Mukhtiar Ali, MPA, Chairman
2. Mr. Zayed Akram Durrani, MPA, Member

DP No. 24 **UN-AUTHORIZED EXPENDITURE OF Rs.0.666 MILLION.**

(2001-02)

7. The Audit reported un-authorized expenditure of Rs.0.666 million.

8. In the erstwhile PAC the para was referred to Sub-Committee consisting of M/S. Khalil Abass and Muzaffar Said, Ex MPAs. The Sub-Committee paid two visits to the site on 04/06/2007 and 17/07/2007 to know about the progress of actual work done at site. As the work was in progress the Department was, therefore, directed to submit progress report to PAC Cell after every 15 days on regular basis.

9. The Department explained that according to the statement of the XEN concerned, the work had already been completed. Since the XEN concerned was not present in the meeting, the Department could not provide completion report as per demand of Audit.

10. Therefore, the Committee kept the para pending for production of completion report.

**PLANNING & DEVELOPMENT DEPARTMENT(2001-02)**

DP.No.22 **WASTEFUL AND UN-ACCOUNTED EXPENDITURE OF Rs.2.32**

(2001-02) **MILLION.**

The Audit reported wasteful and un-accounted expenditure of Rs.2.32 million on account of irregular purchase of valuable stock.

2. The explanation of the Department being plausible was accepted and the para was recommended to be dropped.

**WORKS & SERVICES DEPARTMENT (1997-98 & 2002-03)**

DP. No.44 **LOSS OF Rs.0.631 MILLION DUE TO APPROVING HIGHER**

(1997-98) **RATES THAN THE PC-I.**

The Audit reported loss of Rs.0.631 million due to approving higher rates than the PC-I.

2. The para was re-referred to IDC under the Chairmanship of Mr. Mukhtiar Ali, MPA to probe into matter and submit report to PAC within one month. The representative of Finance, Law and Audit Departments will be Members of the Committee. The Department will convene the meeting of IDC.

DP. No.48 **UN-ECONOMICAL AWARD OF WORK COSTING Rs.3.680**

(1997-98) **MILLION WITHOUT OPEN TENDER SYSTEM.**

3. The Audit pointed out that M/s Electronic Lahore submitted his bid for HT/PC Poles @ 4,600/- per Pole, the party approached the Director General, PDA who directed to adopt PC Poles instead of HT steel Structure. The reply of the Department was not satisfactory. The work should have been rendered after giving wide publicity to the NIT in the press.

4. The para was discussed in erstwhile PAC and was referred to IDC. The meeting of IDC was held on 31/05/2005 wherein it was observed that the open tender system should have been adopted and without any cogent reasons the para was recommended to be dropped.

5. The PAC did not agree with the recommendation of IDC by noting the illegality committed by Director General, PDA for deliberately not re-advertising the work for inviting bids, after change of specification on account of which huge loss was sustained to Government.

6. The Committee recommended to conduct Departmental enquiry for initiating disciplinary action against the Director General who changed specification without re-tendering and any justification. Audit was also directed to take the matter with WAPDA regarding the rate of PC Poles of that time to assess the total loss involved, para stands, progress be reported to PAC.

DP. No.13 **ILLEGAL OCCUPATION OF GOVERNMENT PROPERTIES**

(2002-03) **RESULTING IN ANNUAL LOSS OF Rs.2.896 MILLION.**

7. The Audit reported that the following property of Government of NWFP, Works & Services Department was in the possession of illegal occupants under administrative jurisdiction of Highways Division Charsadda :-

- 139-Kanals land located between Shabqader and Naguman adjacent to Adezai Bridge illegally occupied by the local.
- 430-shops were constructed on the Road side in Charsadda Bazar occupied by the leases without payment of lease/rent.

8. The matter was discussed in the previous PAC wherein it was felt that it was a serious case which required in-dept scrutiny, hence the matter was referred to Sub Committee to probe into the matter and submit report within a month but the Committee could not finalize its report, therefore, the draft para was again included in the agenda of PAC for consideration.

9. The Department explained that efforts were being made for demarcation of land which was situated on the junction of Peshawar and Charsadda Districts. The Revenue Department of Peshawar District has made demarcation of the said land and passed orders for ejection of the encroachers /Trespassers and demolition of the construction over the site. Aggrieved with the order Mr. Said Ahmad submitted a review petition before the District Officer, Revenue, who referred it to the Revenue Department for appointment of high level Commission. Lately the SMBR, NWFP appointed a commission to decide:-

1. Demarcation/identification of Frontier High Ways Authority acquired land.
2. Identification of Land of the parties and
3. Identification of Boundary line between the two Districts.

10. The Commission Consisted of the following:-

- |                                  |          |
|----------------------------------|----------|
| 1. Director, Land Records, NWFP. | Chairman |
| 2. Tehsildar, Peshawar.          | Member   |
| 3. Tehsildar, Charsadda.         | Member   |
| 4. Tehsildar, Shabqadar.         | Member   |

11. The Commission visited the spot on 05/05/2007 and inspected the same in the presence of the parties as well as other concerned officials, the relevant revenue record i.e. Khasra Girdawari etc. was available with them. On the spot the Commission verified the disputed Khasra number with adjacent Khasra numbers of Moza Haji Zai. As was already held by the earlier Commission. It was found there was no boundary dispute between the two Districts as reported by the District Officer

(R&E), Peshawar. The disputed Khasra numbers 379 falls within the jurisdiction of moza Mamo with its co-Shares including FHA which is evident form the revenue record.

12. As far as the possession of Nasir S/o Said Ahmad over the disputed property, at whose instance the matter was sent to the Board of Revenue as a reference is concerned, suffice it to say that he peremptorily is not the owner either in Khasra No.379 or Khasra number of Mauza Haji Zai situated contiguous to the disputed Khasra No.379, rather his possession over the disputed property is just a trespasser, ultra-vires, unjustified and without any legal footing. The Frontier Highways Authority (FHA) was directed to approach the DOR Peshawar and carry out demarcation of Khasra No.379 already acquired by them, but when the Department along with DOR and Police visited the site to carry out demarcation they received violent resistance from the illegal occupants.

13. After detailed discussion the Committee directed that as regards 139-Kanals land, decision of SMBR may be implemented by the Department. However, the issue regarding 430-shops constructed in Charsadda bazaar was referred to Sub Committee already constituted in DP No.14.27 for detail probe into the matter and report within one month.

DP. No.10 **NON-RECOVERY OF Rs.0.8099 MILLION ON ACCOUNT OF (2002-03) COST OF STORE FROM THE CONTRACTORS/SUPPLIERS.**

DP. No.17 **NON-RECOVERY OF Rs.2,79,000/- ON ACCOUNT OF COST OF TENDER DOCUMENTS**  
(2002-03)

14. These paras were earlier referred to Sub Committee by the PAC which could not finalize its task. The Committee, therefore, re-referred the paras in question to Sub Committee consisting of Mr. Abdul Akbar Khan, and Syed Muhammad Ali Shah Bacha, MPAs to thrash out the issue and submit report within one month.

#### **AGRICULTURE, LIVESTOCK AND COOPERATION DEPARTMENT.**

##### **Grant No. 18.**

##### **04- Economic Affairs.**

##### **042- Agri, Food, Irrigation, Forestry & Fishing.**

##### **0421-Agriculture**

##### **042101- Administration/land Commission, Agri: L/S.**

##### **(Cooperative NWFP Peshawar Secretariat Level).**

The Accountant General reported excess of Rs.6,89,234/- against the final grant of Rs.1,09,17,550/- (6%)

2. The Department explained that excess in figures was due to booking of expenditure of salary for 13 months instead of 12 months on account of introduction of NAM in place of legacy system.

3. The explanation being plausible was accepted and the excess was recommended to be condoned.

##### **Grant No. 18**

##### **04-Economic Affairs**



**042-Agriculture, Food, Irrigation, Forestry & Fishing**

**0421-Agriculture**

**042103-Agriculture Research & Extension Services**

**Directorate of Agriculture Engineering, NWFP, Tarnab Peshawar.**

-

4. The Accountant General reported excess of 4,74,600/- against the final grant of Rs. 1,98,10,850/- whereas the Department reported excess of Rs.6,44,705/-.

5. The Department explained that excess in figures was due to booking of expenditure of salary for 13 months instead of 12 months on account of introduction of NAM system in place of legacy by the Accountant General Office.

6. The Accountant General and Finance Department supported the contention of the Department.

7. In view of the above plausible explanation given by the Department the excess was recommended to be condoned.

-

-

-

**Grant No. 18**

**04-Economic Affairs**

**042-Agriculture, Food, Irrigation, Forestry & Fishing**

**0421-Agriculture**

**042103-Agriculture Research & Extension Services**

**(Non Developmental Expenditure)**

8. No excess/savings was involved, hence no comments.

**Grant No. 18**

**04-Economic Affairs**

**042-Agriculture, Food, Irrigation, Forestry & Fishing**

**0421-Agriculture**

**042103-Agriculture Research & Extension Services**

**(Directorate of Soil Conservation)**

9. The Accountant General reported excess of Rs. 22,557/- against the final grant of Rs.18,74,480/- whereas the Department reported excess of Rs. 1,42,393/-.

10. The Department explained that excess in figures was due to booking of expenditure of salary for 13 months instead of 12 months on account of introduction of NAM system in place of legacy.

11. In view of the above explanation, the excess was recommended to be condoned.

**GRANT NO. 18**

#### **042103-Agril Research & Extension**

#### **Services Grant in Aid to Agriculture University**

#### **A05-Grants, Subsidies & Write Off Loans**

12. The Accountant General reported excess of Rs.5,91,670/- against the final grant of Rs.17,21,24,000/-.
13. The Department explained that excess of Rs.5,91,670/- relates to Agriculture Research wing and was mistakenly recorded in the Accounts of Agriculture Department whereas during that period the said wing was attached with Agriculture University. The Accountant General supported the contentions of the Department.
14. In view of plausible explanation advanced by the Department, the excess was recommended to be condoned.

### **GRANT NO.18**

#### **042103- Agri: Research & Extension Services**

#### **Surplus Posts**

#### **Agril: Extension**

15. The Accountant General reported savings of Rs.6,185/- against the final grant of Rs.13,46,700/-.
16. The savings being nominal, hence recommended to be condoned.

### **GRANT NO. 18**

#### **042103-Agriculture Research & Extension Services**

#### **Surplus Posts Agriculture Engineering**

17. The Accountant General reported excess of Rs.6,17,656/-/- against the final grant of Rs.1,45,02,330/-.
18. The Department explained that excess in figures was due to booking of expenditure of salary for 13 months instead of 12 months on account of introduction of NAM system in place of legacy. The Accountant General supported the contention of the Department.
19. In view of the above explanation, the excess was recommended to be condoned.

#### **Grant No 18.**

#### **042104-Plant Protection & Locust Control**

#### **(Agri.: Statistics)**

### **CROP REPORTING SERVICES NWFP**

20. The Accountant General reported excess expenditure of Rs.3,77,714/- against the final grant of Rs.2,35,08,420/-.
21. The Department explained that the Crop Reporting Services was newly established at Provincial level and functioning in 24 districts of the Province under the Administrative control of Statistician, Crop Reporting Services NWFP, Peshawar. The excess expenditure incurred by all the said 24 District Offices collectively.
22. To a question raised by the Committee regarding 100 % increase in the final grant under the Head "Total operating expenses" the Department explained that it was the first ever Budget of the CRS since its establishment due to which the actual expenditure could not be assessed.
23. In view of the above explanation, the excess was recommended to be condoned.

#### **Grant No.18**

## **042104-Plant Protection & Locust Control**

### **Director General Agriculture Extension.**

24. The Accountant General reported savings of Rs.3,45,212/- against the final grant of Rs.2,40,63,280/- whereas the Department reported savings of Rs.22,75,806/-

25. The Department could not advance any plausible explanation regarding savings of Rs.25,80,683/- under the Head A03-"Operating Expenses". Hence it was referred to Sub-Committee for detailed scrutiny and the rest of Accounts was recommended to becondoned.

### **Grant No.18**

#### **09-Education Affairs & Services**

##### **093-Tertiary Education Affairs & Services**

##### **0931-Tertiary Education Affairs & Services**

##### **093102-Professional Technical Universities, Colleges & Institutes**

##### **Agriculture Training Institute: Peshawar.**

26. The Accountant General reported excess of Rs.5,60,510/-.

27. The Committee noted huge excess of Rs.1,84,530/- under the Head A012-"Allowances" but the Department could not convince the Committee, hence it was deferred with the direction to the Department to provide complete details of the said Head in the next meeting.

28. In the next meeting of PAC held on 7<sup>th</sup> December, 2009, the Department provided complete details of the said accounts for consideration of the Committee therefore the excess of Rs.1,84,530/- involved in the said object was condoned.

## **GRANT NO.19**

### **04-Economic Affairs**

#### **042-Agri.: Food, Irrigation, Forestry and Fishing**

##### **0421-Agri:**

##### **04216 Animal Husbandry Live Stock and Dairy Development (Provincial)**

29. The Accountant General reported excess of Rs.460,830/- against the final grant of Rs.29,550,770/-.

30. The Committee noted huge excess of Rs.1,72,103/- under the Head A012-"Total Allowances" but the Department could not convince the Committee hence it was deferred with the direction to the Department to provide complete details of the said Head in the next meeting.

31. In the next meeting of PAC held on 7<sup>th</sup> December, 2009, the Department provided complete details of the said accounts for consideration of the Committee, therefore, the excess of Rs.1,72,103/- involved in the said object was condoned.

## **GRANT NO.19**

### **(ii) Animal Husbandry Veterinary Research and Disease Investigation (Provincial)**

32. The Accountant General reported savings of Rs.2,63,011/- against the final grant of Rs.2,49,24,650/- whereas the Department reported saving of Rs.11/- only.

33. The Department explained that a sum of Rs.2,63,000/- was paid to WAPDA directly by the Finance Department and since the advice of Finance Department was not received to the Department, as a result the effect of adjustment of Rs.2,63,000/- could not be taken. Hence there was no savings; however, the Department produced details of actual expenditure duly reconciled with the Accountant General NWFP.

34. In view of plausible explanation advanced by the Department, it was recommended to be condoned.

**Grant No.19**

**6000-(AH) Grant in Add Agriculture University**

**A05-Grant, Subsidies & Write Off Loans**

35. No excess/savings was involved, hence no comments.

**Grant No.20**

**04-Economic Affairs**

**042-Agri., Food, Irrigation, Forestry & Fishing**

**0421- Agriculture**

**042107-Cooperation**

**Cooperation Provincial Level Cell**

-

36. The Accountant General reported excess of Rs. 832,276/- against the final grant of Rs.83,02,880/-.

37. The Department explained that the excess incurred under the "Pay and Allowances" was unavoidable expenditure.

38. In view of plausible explanation of the Department the excess was recommended to be condoned.

**Grant No. 43.**

**04- Economic Affairs.**

**042101- Administration/Land Commission**

**Agriculture Planning (Revenue).**

39. The Committee noted that there was difference of figures in the Final Grant between two sets of accounts. The Accountant General was claiming excess expenditure of Rs. 10,71,800/- whereas the Department was claiming savings of Rs. 17,62,000/-. The main reason for variation of figures between two sets of accounts seemed that the figures have not been correctly reconciled with the Finance Department.

40. The Committee could not reach to the conclusion as which figures were correct, hence consideration of the same was deferred with the direction that the Administrative Department, Finance Department and Accountant General should sit together revisit the figures and come up with revised working paper having authentic figures with proper explanation for consideration by the PAC.

**Grant No. 43.**

**042103- Agri: Research & Extension Services**

**Agri: Extension Revenue.**

41. Figures of Final Grant and actual expenditure between two sets of accounts did not tally, hence it was deferred for reconciliation of figures amongst the concerned quarters. The accounts may also be discussed in DAC meeting and clear situation may be put forth for PAC consideration.

**Grant No. 43**

**04- Economic Affairs.**

**042- Agri: Food , Irrigation, Forestry & Fishing.**

**0421- Agriculture.**

**042103-Agri:Livestock, Research and Extension Services**

**(Developmental expenditure).**

42. Saving being nominal was recommended to be condoned.

**Grant No. 43.**

**042103- Agri: Research & Extension Services Enhancement**

**of Agri: Extension Capital.**

43. Figures of Final Grant and actual expenditure between two sets of accounts did not tally, hence it was deferred for reconciliation of figures amongst the concerned quarters. The accounts may also be discussed in DAC meeting and clear situation may be put forth for PAC consideration.

**Grant No. 43**

**042106- Animal Husbandry Veterinary Research**

**& Livestock & Dairy Development.**

**NWFP. Peshawar (Development).**

44. The Committee noted with grave concern that the Finance Department has confirmed different figures of Final Grant both to the Accountant General and the Department and at the same time claiming different figures other than one confirmed/released to both the Departments. The Members strongly condemned the performance of the Finance Department and remarked that due to its poor performance, one can not reach the conclusion as which one of the figures was correct.

45. In view of the above, there was no alternative for the PAC but to defer the accounts with the direction that all the three Departments should sit together and reconcile the figures and come up with correct figures and justification of excess/savings for consideration of the Committee.

**Grant No. 43**

**042106- Animal Husbandry Veterinary Research**

**& Livestock & Dairy Development (Capital).**

46. The Final Grant figures between two sets of accounts were different from each other. The Accountant General was claiming that the figures reflected in the Appropriation Accounts were confirmed by the Finance Department and at the same time, the Department was claiming its figures as correct based on the releases.

47. The Committee in view of difference of figures directed all the three Departments to sit together and reconcile the figures and come up with authentic figures for consideration of PAC.

-

**REVENUE & ESTATE DEPARTMENT.**

**Grant No.6**

**01-General Public Affairs**

**012-Financial and Fiscal Affairs**

**0111205- Tax Management.**

The Accountant General reported excess of Rs.66,80,235/- against the final grant of Rs.305,74,480/- whereas the Department reported excess of Rs.34,05,825/-.

2. The Committee asked about the huge excess of Rs.34,04,835/- under the head AO3-“ operating expenses”.

3. The Department explained that it was a commission paid to Stamp venders during 2004-05 as large number of Stamp Papers were sold due to which the commission of venders was also increased. Apart, the Government also received more revenue, hence no loss occurred.

4. The Committee appreciated the efforts of the Department and the excess was recommended to be condoned.

**Grant No.6**

**01-General Public Service**

**015-General Service**

**0154-Other General Service**

**015403-Centraliezed Printing & Publishing**

5. The Accountant General reported savings of Rs.11,00,000 /- against the final grant of Rs. 11,00,000 /- whereas the Department reported savings of Rs.1980/-.

6. There was a huge variation in the figure of Accountant General and the Department but the figures of the Department were admitted.

7. The above saving being nominal was recommended to be condoned.

**Grant No.6**

**04-Ecnomic Affairs**

**042-Aqri: Food, Irrigation**

**0421-Agriculture**

**042102-Land Management**

**(land record & Colonization)**

-

8. The Accountant General reported excess of Rs.21,73,124 /- against the final grant of Rs. 37,33,350/- whereas the Department reported no excess.

9. In view of the explanation given by the Accountant General that the actual expenditure has been reconciled, the Committee therefore, recommended to condone the abnormal excess made by the Department with the direction to reflect it in the excess budget statement.

**Grant No.6**

**04-Ecnomic Affairs**

**042-Aqri: Food, Irrigation**

**0421-Agriculture**

**042102-Land Management**

**(land record & Colonization)**

**(Revenue School Karak)**

10. The Accountant General reported savings of Rs.5/- against the final grant of Rs.10,35,780/-.
11. Savings being negligible was recommended to be condoned.

**Grant No.6**

**10-Social Protection**

**107-Administration**

**1071-Administration**

**107101-Relief Measures**

**Specified Provision for relief Measures**

12. The Accountant General reported savings of Rs.54,11,100/- against the final grant of Rs.20,30,83,500/-.
13. In view of the explanation advanced by the Accountant General that the actual expenditure has been reconciled, the Committee accepted the AG figures and recommended to condone the huge saving made by the Department.

**Grant No.24**

**01-General Public Service**

**012-Final and Fiscal Affairs**

**011205-Tax Management**

**Rod Kohi (Hill Torent)**

14. The Accountant General reported savings of Rs.15,317/- against the final grant of Rs.27,21,660/-.
15. Savings being nominal was recommended to be condoned.

-  
-  
-

**Grant No.24**

**10-Social Protection**

**1071-Administration**

**107105-Flood Control Repair and Maintenance**

**(Kamara Works)**

16. The Accountant General reported savings of Rs.605/- against the final grant of Rs.86,00,000/-.
17. The savings being nominal was recommended to be condoned.

**ZAKAT, USHR, SOCIAL WELFARE & WOMEN DEV: DEPARTMENT.**

-

**Grant No.32**

**108101-Social Welfare & Measures**

The Accountant General reported savings of Rs.26,553/- against the final grant of Rs.1,17,54,900/-.

2. Savings being nominal was recommended to be condoned.

**Grant No.43**

**1018101- Social Welfares & Measures**

3. The Accountant General reported excess expenditure of 20,300/- against the final grant of Rs.2,42,69,000

4. Excess being nominal was recommended to be condoned.

**Grant No.32**

**6-4000Social Service**

**6-47000-Social Security and other**

**6-471 Admn:**

**107104-Administration (SW Deptt) Secretariat**

5. The Accountant General reported savings of Rs.1,933/- against the final grant of Rs.68,59,670/-.

6. The saving being nominal was recommended to be condoned.

**Grant No. 33**

**6-49900-Other Zakat, Ushr Admn**

7. No excess/savings was involved hence no comments.

**ENERGY & POWER DEPARTMENT (SHYDO)**

-

**Grant No. 24**

**04- Economic Affairs**

**043-Fuel and Energy**

**0437- Others**

**043701- Administration**

**(Grant in Aid to SHYDO)**

The Accountant General reported saving of Rs. 28,016/- against the final grant of Rs. 82,70,000/-. The Department contended that the final grant released by the Finance Department was fully utilized during the financial year and the expenditure was reconciled by



the Accountant General. The Accountant General admitted the figures of the Department as correct. The full amount allocated to the Department in the final grant was utilized. Hence, no comments.

**Grant No. 48**

**04- Economic Affairs**

**043-Fuel & Power**

**0435-Elect-Hydel**

**043502- Electricity Hydel**

2. No excess/savings was involved hence, no comments.

**ELECTRIC INSPECTOR, N.-W.F.P**

**Grant No.24**

**043701-other Energy Promotion Programme**

**Electric Inspector Provincial**

3. The Accountant General reported excess expenditure of Rs. 22,839/- against final grant of Rs.31,99,010/-.

4. Excess being nominal was recommended to be condoned.

-

**IRRIGATION & POWER DEPARTMENT**

**Grant No. 24**

**04-Economic Affairs**

**042-Agriculture, Food, Irrigation Forestry & Fishing**

**0422-Irrigation**

**042201-Administration**

Nominal saving of 6% was recommended to be condoned with the direction that in future all anticipated savings must be surrendered in time.

**SMALL DAMS ORGANIZATION**

**Grant No. 24**

**042201-Admn:**

2. 2% saving being nominal was recommended to be condoned.

**O&M WING**

**Grant No. 24**

**042201-Admn:**

**Chief Engineer (O&M)**

3. Excess expenditure of Rs.5,000/- being nominal was recommended to be condoned.

**Grant No. 24**

**042201-Admn: (4269)**

**Superintending Engineers**

4. The Accountant General reported over all excess of Rs.22,80,000/- which comes to 17% of the final grant. The excess was mainly under the Head "Pay of Other Staff", "Allowances" and "Repair & Maintenance".
5. The Department could not advance any plausible explanation for such huge excess. The PAC, therefore, directed that responsibility may be fixed in this regard as to why the flow of expenditure was not foreseen. Progress may be reported to PAC.

**Grant No. 24**

**042201-Admn:**

**Executive Engineers**

6. The Accountant General reported overall savings of Rs.11,37,31,640/- which comes to 17% of the final grant. While scrutinizing the accounts it was found that there was excess of Rs.22,05,635/- under the Head "Pay of Other Staff" and heavy savings of Rs.11,67,78,195/- under the Head "Operating Expenses".
7. The Department could not explain the reason of huge savings/excess in certain Heads, therefore, it was decided that the accounts may first be examined by the DAC and a clear picture may be submitted to PAC.

**Grant No. 24**

**042201-Admn:**

**Mechanical Division**

8. The Accountant General reported overall savings of Rs.5,17,530/-. The Department explained that the saving was surrendered to the Finance Department at the end of June. The Department was of the view that the savings was accepted by the Finance Department. However, the letter produced by the Department in support of their contention presented a negative stance as the Finance Department had showed its inability to accede to the request of the Irrigation Department.
9. The Committee was informed that the Department was supposed to surrender all anticipated savings in the month of May but due to poor accounting system they could not foresee the flow of expenditure.
10. The Committee noted this state of affairs going on in the Department with heavy heart and directed that warning may be issued to the official responsible for not surrendering the amount in time. Progress may be reported to PAC.

**Grant No. 24**

**042201-Admn:**

11. Saving of Rs.129/- being negligible, was recommended to be condoned.

**Grant No. 24**

**042201-Admn:**

12. No excess/savings was involved, hence no comments

**Grant No. 24**

**042202-Productive Dams**

13. The Accountant General reported over all savings of Rs.28,493/- against the final grant of Rs.16,79,65,000/-.
14. The figures of the Department were admitted as correct by the Accountant General hence, nominal savings of Rs.27,895/- was recommended to be condoned by the PAC.

15. Due to shortage of time, the accounts of Irrigation and Power Department pertaining to demand No. 24 and 48 were deferred.

16. The said deferred business was discussed by the PAC in its meeting held on 28-04-2010. The detail is as under:-

**Demand No. 24**

**042201- Chief Engineer (Dev:)**

17. The Accountant General reported saving of Rs.9,74,844/- against the Final Grant of Rs.1,04,08,210/- whereas the Department was claiming saving of Rs.1,24,727/- against the Final Grant of Rs.95,57,812/-.

18. The Department explained that it had surrendered the savings but was not accepted by the Finance Department.

19. The Committee not only noted that there was difference between two sets of accounts but also observed that savings were surrendered on 22-06-2005 i.e. on the last legs of financial year. The Law Department quoting GFR Para-95 clarified that savings must have been surrendered up to 31<sup>st</sup> March of each year.

20. The Committee recommended saving of Rs.1, 24,727/- to be condoned with a warning to the Department to surrender all anticipated savings up to 31<sup>st</sup> March of each year. It also directed the Finance Department to ensure timely releases of funds in future.

**Demand No. 24**

**042201-Superintending Engineer (Dev)**

21. The Accountant General reported excess of Rs.3,35,997/- against the Final Grant of Rs.37,51,360/- whereas the Department was claiming excess of Rs.4,25,817/- against the Final Grant of Rs.36,61,540/-.

22. The Department explained that the excess occurred only in Pay & Allowances, which was unpredictable.

23. The Committee recommended the excess of Rs. 4,25,817/- to be condoned subject to reconciliation of figures with a warning to the Department to reconcile excess/saving in time.

**Demand No. 24**

**042201-Executive Engineer (Dev)**

-

24. The Accountant General reported saving of Rs.1,73,301/- against the Final Grant of Rs.1,21,11,490/- whereas the Department was claiming saving of Rs.42,341/- against the Final Grant of Rs.1,19,80,530/-.

25. The Department explained that the excess occurred only in Pay & Allowances, which was unpredictable.

26. The Committee recommended saving of Rs.42,341/- to be condoned with a warning to the Department to surrender their saving upto 31<sup>st</sup> March of each year. It also directed the Finance Department to ensure timely releases of funds in future.

**Demand No. 48**

**04-Economic Affairs.**

**042-Agriculture, Food, Irrigation, Forestry & Fishing.**

**0422-Irrigation.**

**042250-others.**

-

27. The Accountant General reported saving of Rs.2,68,88,961/- against the Final Grant of Rs.29,52,39,000/- whereas the Department was claiming saving of Rs.2,709/- against the Final Grant of Rs.32,17,93,667/-.

28. The Department explained that Federal Government money amounting to Rs.18,53,02,715/- was booked against it, which made the difference between both sets of accounts in the Final Grant. The Department produced the reconciliation certificates duly verified by the A.G Office.

29. In view of the above, the Committee recommended the saving of Rs.2,709/- to be condoned.

**General**

30. While examining the accounts of the Irrigation Department it was found that during 2004-2005, a sum of Rs.2,55,60,42,000/- was shown as budget estimate out of which a sum of Rs.1,31,39,90,400/- was surrendered and final grant was reduced to Rs.1,24,20,51,630/- Mr. Abdul Akbar Khan, MPA contended that original grant was reduced almost more than 50% which shows that either the Budget estimates were wrongly calculated or the Department was inefficient to utilize the same. The Department was not in a position to give proper justification for the surrendered amount.

31. The Committee directed the Department to revisit their accounts and give a detail explanation in respect of major surrender.

**PLANNING & DEVELOPMENT DEPARTMENT**

**Grant No.4**

**01-General Public Service**

**015-General Services**

**0152-Planning Services**

**015201-Planning & Development Department**

**(Secretariat Level)**

At the out set, the Secretary P&D apologized for non submission of the working papers to the Assembly Secretariat in time. He said that he has already reprimanded the Departmental Officers for not preparing/submitted the working papers to the Assembly Secretariat in time. However, he assured that the Department would be careful in future in timely submission of the documents to the Members. While examining the Accounts it was found that there was an over all excess of 6.8% against the final grant. The main reason advanced by the Department for the incurrence of excess expenditure in the salary and allowances component was due to transaction from the traditional accounting system towards PIFRA system. In view of the said system the salary for the month of June, 2005 which was other wise paid in July, was paid in June causing expenditure of 13 months against the budget provision of 12 months.

2. The explanation of the Department being plausible was admitted by the PAC and the excess was, therefore, condoned.

**Grant No.4**

**01-General Public Service**

**015-General Services**

**0153-Statistics**

**015301-Bureau of Statistics**

3. The Accountant General reported excess expenditure of 4% against the final grant.
4. The main reason for the excess was the same as explained in the earlier Para.
5. The explanation of the Department was accepted and the irregularity being inevitable was condoned.

**AUQAF, HAJJ, RELIGIOUS & MINORITY AFFAIRS DEPARTMENT**

**Grant No. 37**

**0841-Religious Affairs**

**084104-Minority Affairs**

**Minority Affairs Department**

The Account General reported minor saving of Rs. 1,908/- against the final grant of Rs.40,36,127/-. While examining the working papers it was observed by the Committee that the Department has originally demanded a sum of Rs. 5,50,600/- under the Head "Operating Expenses" which came down in the final grant to Rs. 3,23,318/-. The Committee wanted to know that why such a huge amount was originally demanded which could not be spent. The Department was not in a position to explain the detail of "Operating expenses".

2. The PAC therefore, directed the Department to come up with detailed justification for demanding Rs.5,50,600/- in original grant under the Head "Operating expenses" and the reasons for its curtailment in the final grant. The grant was therefore deferred for provision of detailed explanation of the amount referred to above as demanded in the original budget.
3. In the next meeting held on 10/12/2009 the Department explained that it had not demanded for Rs.55,06,000/- under the Head "Operational Charges" whereas Finance Department provided a sum of Rs.46,74,000/- under the Head "A03970-Others-014-Lumpsum" an amount of Rs.3,36,000/- as rent charges for office accommodation and Rs.4,00,000/- was provided for conducting seminar/conference which were not utilized and surrendered to Finance Department. As such final grant amounting to Rs.3,25,318/- released by the Finance Department was fully utilized.
4. The Committee accepted the explanation advanced by the Department and recommended the irregularity to be condoned with the direction that provision under the Head "A03970-Others-014-Lumpsum" should be discouraged and the Finance Department many insure that such provision may not be reflected in the Annual Budget in future.

**Grant No. 37**

**08-Recreation, Culture and Religion**

**084-Religious Affairs**

**0841-Religious Affairs**

**084103-Auqaf**

5. It was deferred for provision of detailed explanation.

6. In the next meeting held on 10/12/2009, the Department provided detailed justification/explanation of excess expenditure of Rs.1,62,14,870/- and told that original Budget under the Head "A05-Transfer Payment-Grant-in Aid to Deeni Madaris during the financial year, 2004-05 was Rs.1,33,00,000/- but during the year 2004-2005, an amount of Rs.2,69,20,000/- was provided by Finance Department in the Revised Estimates for performance of Hajj by Government Employees, Grant-in-Aid to Deeni Madaris/Darul Ulooms in NWFP Rs.30,00,000/- as Grant-in-Aid to Auqaf (Salary for District/Tehsil Khateeb), Rs.3,00,000/- as Grant-in-Aid for Eid Milad-un-Nabi and Rs.25,00,000/- were provided as additional grant the total amount comes to Rs.2,94,20,000/- which has been expended during the year 2004-05.

7. The explanation of the Department being plausible was accepted hence, the nominal excess of Rs. 94,870/- was recommended to be condoned.

### **General**

8. Mr. Abdul Akbar Khan, MPA pointed out that the Accountant General as well as the Department used to base the excess/saving on the final grant of the Department. He was of the view that since the Assembly has authorized the original grant therefore, all excess/savings must be worked out keeping in view the original authorization by the Legislatures instead of the prevailing practice of basing it on the final grant.

9. The Committee therefore, directed that in future all excess/saving should be worked out on the basis of original grant of the Department.

-  
-  
-

-

### **ENVIRONMENT DEPARTMENT.**

#### **Grant No 21.**

#### **05- Environment Protection**

#### **05- Administration of Environment Protection**

#### **055101- Administration Environment Department**

#### **(Provincial Secretariat)**

The Accountant General reported saving of Rs.80,17,753/- which comes to 55% of the final grant.

2. The Department contrary admitted saving of Rs.13,20,503/- which comes to 18% of the final grant. The main difference between the two sets of accounts was that the figure of final grant did not tally with each other. The major difference of figure was found under the Head AO3- Total Operating Expenses.

3. The Public Accounts Committee did not reach to any conclusion about the authentication of figures mentioned in two sets of accounts. It asked the Department whether any DAC meeting was held in this regard to have thrashed out the figures, the reply was in negative. The Committee noted with grave concern that despite repeated circulars made by the Provincial Assembly, the Department miserably failed to hold the DAC meeting to have resolved such discrepancies of figures. It therefore, directed the department that a meeting of DAC may be held and a clear picture may be submitted to PAC to arrive at a just conclusion.

4. Examination of the following accounts of the Department was, therefore, deferred with the direction to first hold DAC meeting, resolve the differences in figures and come up with full justification of excesses or savings.

#### **Grant No.23**

#### **04-Economic Affairs**

#### **042-Agri: Food: Irrig: Forestry & Fishing**

**042501:Administration Fisheries Provincial**

**51800:Fisheries Provincial**

-

**Grant No.43**

**8-50000-Economic Services**

**8-51000-Food and Agriculture**

**8-51800-Fisheries**

-

**Grant No. 21**

**05- Environment Protection**

**053-Pollution Abatement**

**0531-Pollution Abatement**

**053101-Environment Protection**

**Environment Directorate.**

5. The accounts were again discussed on Monday 3<sup>rd</sup> May, 2010.

**Grant No. 21**

**51700-Forestry Non Development.**

6. The Committee referred the two heads namely Traveling allowance and Repair & Maintenance of Durable goods to the Sub-Committee for detail scrutiny.

**Grant No. 22**

**6-51700 Forestry Non Development**

7. Due to 118% saving in the accounts which was on very much higher side it was referred to the Sub-Committee for detailed scrutiny.

**Grant No. 45**

**8-50000-Economic Services**

**8-15000-Agriculture & Food**

8. Referred to Sub-Committee as above.

**Grant No. 23**

**6-51700-Fisheries Non Development**

9. Referred to Sub-Committee as above.

**Grant No.43**

**04-Economic Affairs**

**042501-Administration Fisheries Development**

10. Referred to the Sub-Committee and was directed the Department that object wise detail may be provided in the working paper.

**Grant No. 21**

**6-51700-Forestry Non Development**

11. Referred to the Sub-Committee for detail scrutiny of the accounts.

**Grant No.43**

**05- Environment Protection**

**053-Pollution Abatement**

**0531- Pollution Abatement**

**053101- Environment Protection.**

12. After plausible explanation given by the Department, the nominal saving was recommended to be condoned.

**Grant No. 21**

**6-51700-Forestry Non Development**

13. The Committee directed that Departmental inquiry may be conducted and fix responsibility for not surrendering the excess amount in time and report to the PAC cell.

**ELEMENTARY AND SECONDARY EDUCATION DEPARTMENT.**

**Grant No. 12**

**0961-Administration**  
**096101-Sectt:Policy/curriculum**

The Accountant General reported excess of Rs. 4,95,321/- against the final grant of Rs.1,04,60,000/-.

2. The Department explained that excess was in the pay of staff due to the reason that new Accounting system was introduced in which 13 months salary was allowed to be drawn/adjusted in financial year.

3. The explanation of the Department being plausible was accepted, hence the irregularity was condoned.

**Grant No.12**

**09-Education Affairs & Services**

**0911-Pre-Primary & Primary education affairs & Services**

**091102-Primary Lumpsum Provision**

**091102-Primary-Lumpsum provision**

4. There was a huge difference of figures in both sets of Accounts. The Accountant General was claiming 56% saving whereas the Department was claiming 12%. Reason for variation of figures was required to be submitted to the Committee to know the factual position as which set of accounts was correct hence, was deferred.



**Grant No.12**

**091103-Administration Lumpsum Provincial Programme**

**A01101-50 Pay of Officers**

**A01151-99 Pay of other Staff**

**A012 Allowances**

**A03 Operating expenses**

**A09 Physical assets**

**A13-Repair and Maintenance**

**05000-Total Commodities & Services**

**51100 Traveling Allowance**

5. No excess/saving was involved as confirmed by the Accountant General, hence no comments.

-

**Grant No.12**

**092-Secondary Education Affairs**

**092101-Secondary Education Lumpsum Allocation Middle Schools**

**A01151-99 Pay of other Staff**

**A012-Allowances**

**A03 Operating Expenses**

**A09 Physical assets**

**A13-Repair & Maintenance**

**05000-Total commodities & services**

**51100 traveling allowance**

6. Saving of 21,6,300/- which comes to 1% of the final grant being nominal was recommended to be condoned.

**Grant No.12**

**092102-Administration Directorate of Schools & Literacy NWFP Peshawar**

**A01101-50 Pay of Officers**

**A01151-99 Pay of Other Staff**

**A012 Allowances**

**A03 Operating Expenses**

**A09 Physical Assets**

**A13-Repair & Maintenance**

**05000 Total commodities & Services**

**51100 Traveling Allowance**

7. Since there was huge variation of figures between two sets of accounts hence, was deferred for clarification.

**Grant No.46**

**09-Education Affairs Services**

**0911-Pre-Primary Education Affairs & Services**

**091102-Primary Education**

8. No excess/saving was involved, hence no comments.

**Grant No.46**

**091103-Administration Primary (Capital)**

9. Since there was huge variation of figures between two sets of accounts hence, was deferred for clarification.

**Grant No.46**

**092101-Secondary Education (Development)**

10. No excess/saving hence no comments.

**Grant No.46**

**092102-Administration**

11. No comments.

**Grant No.12**

**09-Education Affairs & Services**

**092-Secondary Education Affairs & Services**

**0921-Secondary Edu: Affairs & Services**

**092120 Administration**

12. Since there was huge variation of figures between two sets of accounts hence, was deferred for clarity.

**Grant No.12**

**093102-Professional/Technical/Universities/Colleges/Institutes**

13. Saving of 5.25% as confirmed by the Accountant General, was recommended to be condoned as per plausible explanation advanced by the Department.

**HIGHER EDUCATION, ARCHIVES & LIB: DEPARTMENT**

**Grant No.12**

**09-Education Affairs & Services**

## **096-Admn:**

### **096101-Secretariat/Policy/Curriculum**

The Accountant General reported excess expenditure of Rs.1,11,589/- against the final grant of Rs.1,08,27,760/-. The Department explained that the excess was mainly made due to arrear of pay of one officer.

2. Excess being inevitable was recommended to be condoned. However, Mr. Abdul Akbar Khan, MPA, reiterated that in future excess/saving may be worked out on original grant basis instead of final grant, as the original grant is approved by the legislature in form of demands in the Annual Budget. He was of the view that in such a mechanism, the efficiency of the Department could be judged from the actual utilization of funds on the basis of original grant.

3. The Committee agreed to his proposal and directed to issue a circular in this regard to all the Administrative Departments to follow the new mechanism.

## **Grant No.12**

### **0931-Tertiary-Education Affairs & Services**

#### **093101-General Universities/Colleges/Institutes lump sum Allocation College**

4. The Accountant General reported saving of Rs.710 against final grant of Rs.2,72,33,310/-.

5. Apparently the saving was nominal, However the Members contended that if this is worked out with the original estimate then it would have been much higher. Considering the working papers, Mr. Abdul Akbar Khan, MPA pointed out that a sum of Rs.11,46,96,000/- was originally demanded by the Department under the Head 03 operational expenses which was reduced in the final grant to Rs.40,00,000/-. He wanted to know that why such a huge amount was primarily demanded and with what justification. If the demand was justified than how the Department run operational expenses with less amount as indicated in the final grant. He was of the view that either the original grant was unjustified or the requirement of the Department was curtailed due to less release. With such a poor budgeting, heavy resources are stuck up in non developmental activities which suffer the developmental projects.

6. After detailed discussion, the Public Accounts Committee directed that the Finance Department and Higher Education Department should sort out details of operational expenditure demanded in the original budget with justification and reasons for less allocation in the final grant. The Account was therefore deferred.

7. The accounts was again discussed on 3<sup>rd</sup> May, 2010, wherein the Committee noted that object wise detail was not provided in the working paper and directed the Department that revised working paper showing detail of each object may be provided for consideration.

## **Grant No.46**

### **09-Education Affairs and services**

#### **093- Tertiary Education Affair & Services**

##### **093101- General Universities/Colleges/Institutes/College Education**

8. Since detailed record for non utilization of saving of Rs.69,05,245/- was not available with the Department, hence it was kept pending.

9. The accounts was again discussed on 3<sup>rd</sup> May, 2010, the explanation of the Department with regard to excess of Rs.6,905,245/- was accepted hence, was recommended to be condoned.

## **Grant No.12**

### **09-Education Affairs & Services**

#### **095-Subsidiary Services to Education**

##### **0951- Subsidiary Services to Education**

###### **095101-Archives & Libraries**

10. The Accountant General initially reported excess expenditure of Rs.2,39,543/- whereas the Department contended that the budget was utilized in full and no excess/saving was involved. It was contended that excess shown in Appropriation Accounts actually related to Archaeology Department which had now been adjusted against the said Department.

11. The plea of the Department duly endorsed by the Accountant General was accepted hence, excess was recommended to be condoned.

-

**Grant No. 46**

**09-Education Affairs and Services**

**095-Subsidiary Services to Education**

**095101- Archives, Library and Museums (Development)**

12. The Accountant General confirmed Rs.45,811/-as saving in the Departmental accounts. Saving being nominal was recommended to be condoned.

**SPORTS, CULTURE, TOURISM & YOUTH AFFAIRS DEPARTMENT.**

**Grant No.38**

**08 Recreational Culture and Religion**

**081120-Others Women Directorate of Sports**

**A011-1 Total Pay of Officer**

**A011-2 Total pay of Staff**

**A012-Total Allowances**

**A03 Total Operating Charges**

**A05 Total Others**

**A09 Total Physical Assets**

As nominal excess of Rs.392/- was involved, hence it was recommended to be condoned.

**Grant No. 38**

**08 Recreational Culture and Religion**

**081120-Others Directorate of Sports**

2. Nominal excess of Rs.166/- was involved, hence it was recommended to be condoned.

**Grant No. 43**

**1-081101 Stadium Sports Complex**

**A081120 Std: Sports Complex Tourism & Culture (Capital)**

3. No excess/saving involved, the budget was utilized in full hence no comments.

**Grant No. 38**

#### **46300-Promotion of Cultural Activities**

4. The Accountant General reported saving of Rs.66,219/- against the final grant of Rs.69,76,271/-.
5. The Department explained that saving was mainly in the utility bills which were not received in time.
6. The Department was directed that in future all anticipated savings should invariably be surrendered in time to avoid Audit objection.

#### **Grant No. 38**

#### **082105-Promotion of Culture Activities**

7. No excess/saving was involved as confirmed by the Accountant General, hence no comments.

#### **Grant No.38**

#### **09-Education Affairs & Services**

#### **095101-Archives Library & Museums**

8. The Accountant General reported excess expenditure of Rs.26,33,667/- where as the Department accepted Rs. 1,11,392/- as excess expenditure. In support of its contention, the Department produced reconciliation certificate duly verified by Accountant General which was accepted. Explaining the reason for the excess, the Department contended that it was mainly due to fixation of pay of some employees.
9. The explanation being plausible was accepted and the irregularity was recommended to be condoned.

#### **Grant No. 43**

#### **09-Education Affairs & Services**

#### **095-Subsidiary Services to Education**

#### **095101-Archives, Library & Museum**

10. The Accountant General reported excess expenditure of Rs.29,99,999/- against the final grant of Rs.2,10,00,000/- contrary, the Department contended that the budget was utilized in full and there was no excess/saving.
11. The Public Accounts Committee in such circumstances could not reach to a just conclusion, therefore the Department was directed to sit with the Accountant General and sort out the figures and if the version of the Department was proved correct, then the issue will stand disposed off otherwise detailed explanation for incurrence of excess expenditure would be required to be submitted to Public Accounts Committee.

### **EXCISE & TAXATION DEPARTMENT**

-

Working papers distributed by the Department amongst the Members and participants of the Committee were found different from each other. The papers were loose, confusing and not properly arranged. Explanation of the Department in this regard was inappropriate. The Chairman showed his grave concern over the poor performance of the Department. He added that this state of affair shows what importance, the Department was paying to PAC affairs. The Committee therefore, deferred examination of the accounts of Excise & Taxation Department with the direction that proper working paper duly page marked/flagged and in booklet form, may be furnished in the next meeting of the Committee.

2. The said accounts were examined by the PAC in its meeting held on 10-12-2009. The detail is as under:-

#### **Grant No. 07**

#### **01-General Public Service**

## **011-Executive & Legislative Organs**

### **0112-Financial and Fiscal Affairs**

#### **011205-Tax Management**

3. The Accountant General reported saving of Rs.6, 81,961/- against the final grant of Rs.62,16,770/-.
4. The Committee objected that the original demand for grant was Rs.2,46,89,880/- which was reduced to Rs.62,16,770/- in the final grant but the Department actually utilized Rs.55,34,809/- with the savings of 11%. This clearly shows that the Department has made an unrealistic demand and its budgeting system was defective.
5. As regards saving of Rs.6,81,961/- (11%), the Department explained that major savings occurred under the sub-head "A03 Operating Expenses" which was a result of adopting economy measures as per policy of the Government.
6. The explanation of the Department being plausible was accepted and the savings of Rs.6,81,961/- (11%) was recommended to be condoned with the direction to the Department to make realistic demand in future and to improve its budgeting system.

-

#### **Grant No. 07**

#### **011205-Tax Management**

7. The Accountant General reported excess expenditure of Rs.19,56,120/- whereas the Department was claiming saving of Rs. 92,650/-. The difference was due to variation in the final grant figures in both sets of the Accounts. The Finance Department clarified that an amount of Rs. 16,56,640/- was provided to the Department as additional grant under the sub-head "A-01277 Honorarium" to the employees of the Department, but the effect of which has neither been taken by the Finance Department nor by the Administrative Department due to oversight, hence it apologized for the same.
8. In view of the above, the Committee accepted the Departmental figures and nominal saving of 1% was recommended to be condoned.

## **GENERAL**

9. The recovery statement in connection with Revenue Receipts of the Excise and Taxation Department for the year 2003-2004 was placed before the Committee, which indicated that an amount of Rs.7,99,71,000/- was still recoverable from the defaulters.
10. The Department explained that the outstanding amount relates to Audit Report on Revenue Receipts and at this stage they were not prepared to explain the position. However, it assured that the same would be explained on 31-12-2009 when the Audit Report on Revenue Receipts for the year 2004-2005 is to be examined.

## **FINANCE DEPARTMENT**

### **Grant No.3**

#### **01-General Public Service**

### **011-Excutive & Legislative Organs**

#### **0112-Financial and Fiscal Affairs**

#### **011204-Administration of Financial Affairs**

#### **A-13 Repair & Maintenance**

The Accountant General reported savings of Rs.24,635/- against the final grant of Rs.4,83,46,940/-.

2. The savings being negligible was recommended to be condoned with the direction to curtail operating expenses to minimize the variation.

**Grant No. 3**

**01-General Public Service**

**011-Executive & Legislative Organs**

**0112-Financial and Fiscal affairs**

**011204-Administration of Financial Affairs**

**011206-Accounting Services Treasury Establishment**

3. The Accountant General reported excess of Rs.1,33,026/- against the final grant of Rs.5,21,41,120/-.

4. Excess being nominal was recommended to be condoned.

**Grant No. 03**

**01-General Public Service**

**011-Executive & Legislative Organs**

**0112-Financial and Fiscal affairs**

**011204-Administration of Financial Affairs**

**011206-Accounting Services Treasury Establishment**

**011207- Auditing Services**

5. The Accountant General reported excess of Rs.9,32,026/- against the final grant of Rs.1,83,41,690/-.

6. The Department explained that variation in figures was due to booking of expenditure for 13 months instead of 12 months on account of introduction of NAM system.

7. The explanation being plausible was accepted and the excess was recommended to be condoned.

**Grant No. 34**

**01-General Public Service**

**011-Executive & Legislative Organs**

**0112- Financial and Fiscal Affairs**

**011210-Pension Civil**

**A04101-Pension (Voted)**

8. The Accountant General reported savings of Rs3,84,67,398/- against the final grant of Rs.3,09,52,35,000/-.

9. The Department explained that variation occurred mainly in pension cases which could not be avoided.

10. Due to plausible reply of the Department the savings was recommended to be condoned.

**Grant No.39**

**01-General Public Service**

**014102-District Governments**

**A05-Grant and Subsidies**

-

**Grant No. 40**

**01-General Public Service**

**014102-District Governments**

**A05-Grants and Subsidies**

-

**Grant No. 52**

**01-General Public Services**

**014102- Grant to District Government**

11. The Secretary Finance explained that the Accounts in question related to District Governments and the amount was paid in lumpsum to the District Governments, hence no record of expenditure could be produced.

12. The Committee after detailed discussion kept the accounts pending till 14-09-2009 with the direction to approach Secretary, Local Government to prepare working paper for the meeting of Public Accounts Committee.

-

**Grant No. 36**

**01-General Public Service**

**014-Transfer**

**0143-Investment**

**014301-Financial Institutions**

**(Provision for Financial Institutions)**

**A02-Project Pre-Investment Analysis**

13. No excess/savings is involved, hence no comments.

**Grant No. Nil**

**01-General Public Service**

**011-Executive & Legislative Organs**

**0112-Financial and Fiscal Affairs**

**011208-Foreign Debt Payable to Federal Government**

**011209-Domestic Debt Management**

**A071-Interest Domestic**

14. No excess/savings is involved, hence no comments.



**Grant No. Nil**

**01-General Public Service**

**011-Executive & Legislative Organs**

**0112-Financial & Fiscal Affairs**

**011208-Foreign Debt Management**

**A071-Interest Domestic**

15. The Accountant General reported excess of Rs.2,56,80,732/- against the final grant of Rs.1,791,502,000/-.
16. The Department explained that transaction under the head represented book adjustment and no cash payment was involved.
17. Reply of the Department being plausible was accepted by the Committee, hence the irregularity was recommended to be condoned.

**Grant No.41**

**01-General Public Service**

**014203-Govt: Servants**

**(Write off of Loans & Advances)**

18. The Accountant General reported excess of Rs.1,05,227/- against the final grant of Rs.1,09,958/-.
19. The Department explained that excess was due to write off balance of House Building Advances/Motor Car Advances of certain employees who expired in their service period.
20. The Committee accepted the explanation of the Department, hence excess was recommended to be condoned.

**Grant No. 41**

**014302-Non-Financial Institution**

**(Loan to Galyat Development Authority)**

21. No excess/savings was involved, hence no comments.

**Grant No. Nil**

**01-General Public**

**011-Executive & Legislative Organs**

**0112-Financial & Fiscal affairs**

**011209-Domestic Debt Management**

**Domestic Direct**

**A10- Principal Repayment of Loans.**

22. No excess/savings was involved, hence no comments.

**Grant No. Nil**

**01-General Public Service**

**011-exective & Legislative Organs**

**011208-Foreign Debt Management**

**011209-Domestic Debt Management**

**Repayment of Principal Domestic**

**Debt payable to Federal**

**Government (Cash Development Loans)**

**Foreign debt payable to Federal Government**

23. The Accountant General reported savings of Rs.5,20,201/- against the final grant of Rs.4,643,603,509/-.
24. The savings being nominal, hence recommended to be condoned by the Committee.

**Grant No.51**

**01-General Public Service**

**011-Executive and Legislative Organs**

**0112-Financial & Fiscal Affairs**

**011204-Administration of Financial Affairs**

25. No excess/savings was involved, hence no comments.

**GOVERNOR'S SECRETARIAT**

**Grant No. 2**

**01-General Admn:**

**011-Executive & Legislative Organs**

**0111-Executive & Legislative organs**

**011103-Sectt: staff of Governor0**

**(Charged)**

The Accountant General reported saving of Rs.3,65,551/- against the final grant of Rs.1,59,61,100/- which comes to 2% of the final grant.

2. Mr. Abdul Akbar Khan, MPA objected that how the amount of the final grant was enhanced from Rs.82,83,700/- to Rs.1,59,61,100/-. The Department explained that enhancement occurred due to increase in the discretionary grant of the Governor which was not reflected in the original grant.
3. On another query from Mr. Abdul Akbar Khan, MPA regarding abnormal enhancement in discretionary grant, the Secretary Finance Department responded that enhancement was made in pursuance of the amendment made in the relevant Act passed by the Provincial Assembly. However, no such Act was produced before the Committee.
4. After detailed discussion the Committee deferred the Accounts of Governor's Secretariat with the direction to produce the relevant Act of the Assembly under which discretionary grant of the Honourable Governor was enhanced.

**INDUSTRIES, COMMERCE, LABOUR & TECHNICAL EDUCATION**

**Grant No. 25**

**04-Economic Affairs**

**044-Mining & Manf**

**0443-Administration**

**044301-Admn:**

The Accountant General reported savings of Rs.23,75,600/- against the final grant of Rs1,11,75,861/- whereas the Department reported excess of Rs.446/-.

2. The Accountant General conceded the figures of the Department as correct in view of revised conciliation. The Committee, therefore, recommended the excess to be condoned being nominal.

**Grant No.25**

**04-Economic Affairs**

**044-Mining & Manufacturing**

**0443-Administration.**

**044301-Administration (Directorate) Provincial.**

3. The Accountant General reported excess of Rs.95,03,07/- against the final grant of Rs.1,02,26,000/- whereas the Department reported savings of Rs.7,41,797/-.

4. In view of plausible explanation given by the Department the Committee recommended the Accounts to be condoned.

**Grant No. 26**

**04- Economic Affairs**

**041- General Economic Commercial & Labour Affairs**

**0413-General Labour Affairs**

**041309-Labour Welfare Activities**

5. The Accountant General reported excess of Rs.8,488/- against the final grant of Rs.73,33,563/- whereas the Department reported excess of Rs.2,490/-.

6. The excess being nominal was recommended to be condoned.

**Grant No. 26**

**04- Economic Affairs**

**044- Mining & Manufacturing**

**0442- Mining**

**044201-Mining of Mineral Resource**

7. The Accounts were deferred as the figures of original grant against each Head were not recorded in the working paper.

8. In the next meeting of PAC held on 14/12/2009, the Department furnished Head wise detail to the Committee, which was scrutinized by the Committee and over all excess expenditure of Rs.47,227/- being negligible, was recommended to be condoned.

**Grant No.27**

**02-General Public Service**

**015-General Services**

**0154-Other General**

**015403-Centralized Printing & Publishing (PR4300 Stationary & Printing)**

9. The Accounts were deferred as the figures of original grant against each Head were not recorded in the working paper.

10. In the next meeting of PAC held on 14/12/2009, the Department furnished head wise details to the Committee and explained that the excess of Rs. 13,09,980/- was due to change of system from cash based legacy to NAM by the Accountant General Office. According to such system the financial year 2004-2005 was accounted for 13 months instead of 12 months.

11. In view of the above explanation, the excess of Rs. 13,09,980/- was recommended to be condoned.

**Grant No.29**

**09-Education Affairs & Services**

**096-Administration**

**096101-Secretariat/Policy/Curriculum**

12. The Accountant General reported excess of Rs.3,73,43,810/- against the final grant of Rs.1,41,33,719/- whereas the Department reported savings of Rs.1,05,836/-

13. In view of plausible explanation given by the Department, the Committee recommended the savings to be condoned.

-

**Grant No. 29**

**04-Economic Affairs**

**041-General Economics**

**041300-General Labour**

**041302-Employment Exchange**

14. The Accountant General reported savings of Rs.1,17,104/- against the final grant of Rs.26,74,500/- whereas the Department reported savings of Rs.1,08,039/-.

15. There was variation of figures between the two sets of Accounts hence, were referred to the Sub-Committee for detailed scrutiny.

**Grant No. 29**

**093102-Professional/Tehchnical./Universities**

16. The Accountant General reported excess of Rs.10,00,001/- against the final grant of Rs.66,32,040/- whereas the Department reported savings of Rs.238/-.

17. In view of plausible explanation given by the Department, the Accounts were condoned with the direction to the Accountant General NWFP to discourage the granting of reconciliation certificate after printing of books.

#### **Grant No.30**

#### **04-Economic Affairs**

#### **041-General Economic Commercial and Labour Affairs**

#### **0413-General Labour Affairs**

#### **041309-General Labour Welfare Measures**

#### **PR-4393-Labour Welfare Activities (Provincial)**

18. The Accountant General reported savings of Rs.10,25,888/- against the final grant of Rs.85,49,337/- whereas the Department reported savings of Rs.18,294/-.

19. In view of variation between the figures of two sets of Accounts the matter was referred to the Sub-Committee for detail probe & report.

#### **Grant No.30**

#### **031101-Court/Justice**

20. The Accountant General reported excess of Rs.3,71,423/- against the final grant of Rs.55,22,806/- whereas the Department reported excess of Rs.78,083/-

21. The Accounts were deferred for provision of accurate figures of Accounts.

22. In the next meeting of PAC held on 14/12/2009, the Department furnished the same to the Committee.

23. To a query raised by the Committee about the difference in the figures of final grant in both sets of accounts, the Finance Department commented that the difference occurred due to surrendering of saving of Rs.6,90,820/- instead of Rs.3,23,414/- to the Head "Drawl and Surrendered".

24. In view of the above explanation the excess of Rs.87,947/- as claimed by the Department was recommended to be condoned.

#### **Grant No.30**

#### **03- Public Order & Safety Affairs**

#### **031- Law Courts**

#### **0311- Law Courts**

#### **031101-Court/Justice Labour**

25. The Accountant General reported excess of Rs.3,65,459/- against the final grant of Rs.4,52,693/- whereas the Department reported excess of Rs.699/-.

26. The Accounts were deferred for provision of accurate figures of Accounts.

27. In the next meeting of PAC held on 14/12/2009, the Department furnished the same to the Committee.

28. The Department explained that the expenditure under Object A-13 "Total Repair" amounting to Rs.16,230/- and under Object A-03 "Total Operating Expenses", amounting to Rs.36,431/- were wrongly booked against the Department as the Department was wound up in January, 2005 and the staff was declared surplus. Further more, for the remaining period i.e. January

to June 2005 only Salary Budget was provided by the Finance Department for the Surplus Employees. No budget under "Operating Expenses" and "Total Repair" was provided nor expenditure made thereon. It further explained that an amount of Rs. 3,12,099/- had already been surrendered.

29. In view of the plausible explanation advanced by the Department, the excess expenditure was recommended to be condoned.

-

**Grant No.30**

**04-Economic Affairs**

**041-General Economic Commercial & Labour Affairs**

**0413-Gen: Labour Affairs**

**041308-Wage Regulation**

**PR-4318-Minimum Wages Board**

30. The Accountant General reported excess of Rs.41,835/- against the final grant of Rs.4,51,500/-.

31. The Department explained that variation in figures was mainly due to booking of expenditure for 13 months instead of 12 months on account of introduction of NAM in place of legacy.

32. In view of plausible explanation given by the Department, the Committee recommended the Accounts to be condoned.

**Grant No.30**

**04-Economic Affairs**

**047-Other Industries**

**0471-Distributive, Trade, Storage, Warehouses**

**047101-Weights & Measures (Provincial)**

33. The Accountant General reported excess of Rs.3,171/- against the final grant of Rs.10,99,500/- whereas the Department reported excess of Rs.1,573/-.

34. The variation being nominal hence, recommended to be condoned.

**Grant No.43**

**03-Public Order & Safety Affairs**

**031101-Courts/Justice(Dev)Labour Courts**

35. The Accountant General reported excess of Rs.10,000/- against the final grant of Rs.Nil.

36. The Department explained that courts decide cases which have no concern with the development side.

37. In view of explanation given by the Department, the Accounts were recommended to be condoned subject to reconciliation with Accountant General.

-

-

-

**Grant No. 30**

**04-Economic Affairs**

**047-Other Industries**

**0471-Distributive, Trade, Storage Warehouses**

**047101-Weights & Measures (Provincial)**

38. The Accountant General reported savings of Rs.34,55,000/- against the final grant of Rs.34,55,000/-.

39. The Department explained that no funds in the Head were released during the said period.

40. In view of explanation of the Department the Accounts were recommended to be condoned.

**Grant No. 43**

**04-Economic Affairs**

**047-Other Industries**

**0471-Distributive, Trade, Storage Warehouses**

**047101-Weights & Measures (Provincial)**

41. The Accountant General reported excess of Rs.23,06,000/- against the final grant of Rs. Nil whereas the Department reported savings of Rs.11,49,000/-.

42. The Department explained that the expenditure was made but a cheque of Rs.11,49,000/- was bounced as the supplier stationed at Karachi failed to present the cheque through its Bank for clearance to the State Bank, Peshawar within the validity period ending on 30/06/2005, hence no money was paid in that period.

43. In view of the explanation given by the Department the Accounts were recommended to be condoned.

**Grant No. 43**

**04- Economic Affairs**

**044- Mining & Manufacturing**

**0441-Manufacturing**

**NC-15-044120 Others**

44. The Accountant General reported savings of Rs.1,000/- against the final grant of Rs.2,49,31,000/-.

45. The Committee deferred the Accounts for the provision of details of figures against each Head/Object.

46. In the next meeting of PAC held on 14/12/2009, the Department furnished the same but it was deferred again as the working paper was not on proper format. Further more the Committee noted that an amount of Rs. 2.800 million, appropriated for provision of Land and Infrastructure for Agriculture Export Processing Zone at Peshawar, was re-appropriated to a non-ADP scheme at Industrial Estate at Hattar, by the Department. The Committee, therefore, directed the Department to submit revised working paper with complete details and reasons of re-appropriation of Rs.2.800 million.

**Grant No.43**

**04-Economic Affairs**

**044-Mining & Manufacturing**

**0441-Manufacturing**

**044105-Administration(Child Labour Development)**

47. The Accountant General reported savings of Rs.5,000/- against the final grant of Rs.8,33,000/-

48. The Department failed to explain the reasons of variations hence, the Committee directed that the Accounts shall stand and ordered for recovery from the concerned person.

**Grant No.43**

**04-Economic Affair**

**044-Mining & Manufacturing**

**0441-Manufacturing**

**044120-Others**

**NWFP SID Board**

49. The Accountant General reported excess of Rs.12,52,001/- against the final grant of Rs.1,56,73,000/-.

50. In view of plausible explanation given by the Department, the Accounts were recommended to be condoned.

**Grant No.43**

**044120-Others Mineral ( Development)**

51. The Accountant General reported savings of Rs.1,34,60,942/- against the final grant of Rs.2,20,23,000/- whereas the Department reported savings of Rs.66,500/-.

52. The Committee observed variation between the final grants of two sets of Accounts, therefore, the Committee directed to conduct Departmental inquiry within one month and send report to PAC Cell, hence, the accounts shall stand.

53. In the next meeting of PAC held on 14/12/2009, the Committee had directed the Department to conduct Departmental Enquiry within one month but the Department failed to comply with the directives of PAC. Therefore, the Committee upheld its previous recommendations.

**Grant No.43**

**044120-Other Technical Education & Manpower Training Development**

54. The Accountant General reported savings of Rs.3,37,25,000/- against the final grant of Rs.3,37,25,000/- whereas the Department reported saving of Rs.11,000/-.

55. The Accountant General explained that in view of variation between the figures reconciliation has been made.

56. The Committee therefore, recommended the Accounts to be condoned.

**Grant No.43**

**044120- Other Technical Education & Manpower Training**

57. The Accountant General reported 100% savings against final grant Rs.3,37,25,000/- whereas Department reported savings Rs.11,000/-.

58. In view of plausible explanation of the Department, the Accounts were recommended to be condoned.

**Grant No. 43**

**09- Education affairs & services**

**093102- Professional/Technical/Education/Technical Education and Training**



59. Could not be discussed due to shortage of time.

60. In the next meeting held on 14/12/2009, the accounts were again discussed but were deferred for holding of DAC as the Administrative Department as well as the Finance Department was not clear about the figures reflected in the working paper.

**Grant No.43**

**044120- Other Technical Education and Manpower Training**

61. Could not be discussed.

**Grant No. 43**

**09-Education Affairs & Services**

**093102-Professional/Technical/Universities/Institutes/**

**Technical Education & Main Power Training NWFP (Capital)**

62. The Committee noted variation between the figures of actual expenditure in both sets of accounts.

63. The Department explained that saving of Rs. 1,62,00,000/- reflected by Accountant General was due to the reason that developmental expenditure was wrongly booked in the non-developmental expenditure. The same had been corrected in consultation with AG office.

64. The explanation advanced by the Department duly endorsed by the Finance Department and Accountant General was accepted and the irregularity was recommended to be condoned.

**Grant No.43**

**044120-Others Minerals (Development)**

65. The Accountant General reported savings of Rs.23,75,000/- against the final grant of Rs.23,75,000/- whereas the Department reported final grant of Rs.13,75,000/-.

66. The Accountant General admitted the mistake of quoting incorrect figures.

67. In view of plausible explanation given by the department, the Committee recommended the accounts to be condoned.

-

**INFORMATION & PUBLIC RELATION DEPARTMENT**

**Grant No.31**

**086101-Admn: of Information Department Provincial**

The Accountant General reported savings of Rs.37,291/- against the final grant of Rs,36,16,939/-.

2. The excess being nominal was recommended to be condoned.

**Grant No.31**

**08-Recreation, Culture & Religion**

**083-Broadcasting Publishing**

**0831-Broadcasting & Publishing**

**083104-Public Relations**

3. The Accountant General reported excess of Rs.13,16,724/- against the final grant of Rs.3,21,29,139/-
4. The Department explained that variation in figures was due to booking of expenditure for 13 months instead of 12 months on account of introduction of NAM in place of legacy system.
5. In view of the plausible explanation given by the Department the excess was recommended to be condoned.

**LAW, PARLAIMENTARY AFFAIRS & HUMAN RIGHTS DEPARTMENT.**

**Grant No.11**

**03-Public Order & Safety Order**

**031-Admn: of Public Order**

**0361-Administration**

**036101-Secretariat**

The Accountant General reported savings of Rs.1,36,89/- against the final grant of Rs.1,60,86,330/-. It was also pointed out that under the Head "A05-Grants" initially Rs.500/- were allocated but later on Rs. 20,51,000/- were released in the final grant, against which the Department incurred expenditure of Rs.17,56,000/- hence, savings of Rs.2,95,000/- occurred.

2. The Department explained that Rs.500/- under the said Head were granted as token grant because the actual requirement under this Head was unforeseen. The Chief Executive of the Province from time to time used to announce grants-in-Aid to various Bar Associations and consequently excess grant was demanded from the Finance Department under the Head as per requirement.
3. The Finance Department also supported the explanation of the Law Department; however the Committee deferred the Accounts for provision of details under sub Head No. "A03-Total Operating Expenses".

**Grant No 11.**

**03-Public Order & Safety Affairs**

**031-Administration of Public Order**

**0311-Law Courts**

**031101-Courts/Justices/Advocate General.**

4. The Accounts were deferred with the directions that the Advocate General should personally attend the meeting to explain the Accounts before the Committee.

**Grant No 11.**

**03-Public Orders & Safety Affairs.**

**031-Administration of Public Orders.**

**0311-Law Courts.**

**031101-Courts/Justice/Mufassil Establishment.**

5. The Accountant General reported savings of Rs.22,98,132/- against the final grant of Rs.2,46,13,450/- whereas the Department reported savings of Rs.2,29,132/- and reason of variation of figures.
6. The Accounts were deferred for provision of detail of figures under the Sub Heads.

**PESHAWAR HIGH COURT, PESHAWAR.**

7. The Accounts were deferred for provision of the following details:-

- (1) The original grant, final grant and actual expenditure varied as question arose that whether the additional grant had been granted by the Finance Department under the charged Budget component or otherwise?
- (2) Detail, of Heads/Objects & Classification.

**PROVINCIAL ASSEMBLY OF KHYBER PAKHTUNKHWA PESHAWAR.**

**Grant No.01**

**01-General Public Service**

**0110-Executive & Legislative Organs, Financial & Fiscal Affairs**

**0111-Executive & Legislative Organs**

**011101-Parliamentary-Legislative Affairs**

**Provincial Assembly (Charged)**

The Accountant General reported excess of Rs.29,25,808/- against the final grant of Rs.6,43,52,500/-.

2. The Department explained that prior to 2004-05, the expenditure in pay and allowances for the month of June used to be booked in the succeeding month i.e. July of each year. However, in 2004-05 as per policy of New Accounting Model (NAM) under PIFRA, the pay and allowances for June, 2005, were booked in the same month i.e. June, 2005. This resulted into booking of 13 months expenditure in pay and allowances instead of 12 months in year 2004-05. Therefore, the excess shown under Head "A01101-Pay of Officers, A01151-Pay of Others Staff, 012-Regular allowances and A03-Other Allowances" was simply the affect of the aforesaid booking and actually no excess had been made. So far as the final grant is concerned, the total grants of final grant tally with the total grant of this Secretariat. However, in the Sub Head "A012-Regular Allowances" an amount of Rs.6,55,000/- had been shown excess which actually pertained to the following Heads.

1.	A03- Operating Expenses	Rs.1,55,000/-
2.	A06-Tranfers	Rs.5,00,000/-
Total		Rs.6,55,000

3. The total savings of Rs.14/- under Head "A06-Transfer" and "A13-Repairs" and maintenance may please be condoned.

4. In view of the plausible explanation given by the Department the Accounts were recommended to be condoned.

-  
**Grant No. 01.**

**01-General Public Service**

**011-Executive & Legislative Organs, Financial**

**0111-Executive & Legislative Organs**

**011101-Parliamentary-Legislative Affairs**

**Provincial Assembly (Voted)**

5. The Accountant General reported excess of Rs.18,14,638/- against the final grant of Rs.4,68,03,000/-.
6. Due to New Accounting Model (NAM) , the expenditure of one extra month's salary of MPA's had been booked in 2004-05 whereas practically no excess had been made.
7. In view of the explanation given by the Department, the Committee recommended the Accounts to be condoned.

**HEALTH DEPARTMENT**

**Grant No.13**

**07-Health**

**073-Hospital Services**

**073101-General Hospital Services**

**PR4336-Lady Reading Hospital Peshawar.**

The Accountant General reported excess of Rs.50,00,007/- against the final grant of Rs.38,76,81,060/- whereas the Department reported no excess/saving.

2. The Department explained that the final grant of Rs.38,76,81,060/- has been confirmed by the Finance Department against which no excess/saving occurred.
3. In view of the above explanation, the Committee recommended the excess to be condoned.

**Grant No.13**

**6-400000 S.S**

**6-420000 Health**

**6-72201-General Hospital & Clinics**

**310-KTH, Peshawar.**

4. The Accountant General reported excess of Rs.50,77,373/- against the final grant of Rs.27,96,16,850/- whereas the Department reported no excess/saving.

5. In view of the plausible explanation given by the Department the Committee recommended the excess reported by the Accountant General to be condoned.

**AYUB MEDICAL HOSPITAL, ABBOTTABAD.**

**Grant No. 13**

**073101-General Hospital Services**

**Grant in Aid to Ayub Hospital**

**A05-Grant & Subsidies**

6. The Accountant General reported excess of Rs.51,00,006/- against the final grant of Rs.16,02,78,750/- whereas the Department reported no excess/saving.

7. The Committee observed that the Department (Ayub Teaching Hospital, (Abbottabad) has not mentioned original grant in the working paper due to which the Accounts of Ayub Teaching Hospital, Abbottabad were deferred.

8. In the next meeting of PAC held on 11/12/2009, the Accounts were again placed before the Committee for consideration. The Committee noted difference of Rs. 5.0 million in the final grant figures reported by the Accountant General and the Department. The Department explained that an amount of Rs. 5.0 million was provided as additional grant to it for purchase of emergency drugs which was not reflected in the Appropriation Accounts by Accountant General. The statement was duly endorsed by the Finance Department hence figures of the Department was found correct, and as such there was nominal excess of Rs. 0.1 million.

9. In view of explanation advanced by the Department, excess expenditure of Rs.0.1 million being nominal, was recommended to be condoned.

**HAYATABAD MEDICAL COMPLEX, PESHAWAR**

**Grant No. 13**

**073101-General Hospital Services Hayatabad**

**Medical Complex Peshawar**

**A-05-Grants & Subsidies**

**6000-Transer Payment**

10. The Accountant General reported excess of Rs.27,46,963/- against the final grant of Rs.14,09,41,120/- whereas the Department reported saving of Rs.32,53,000/-.

11. The Department (Hayatabad Medical Complex, Peshawar) failed to explain the factual position of excess/saving before the Committee. Hence, the Committee directed to hold DAC meeting and come up with agreed upon figures alongwith details of justification.

12. In the next meeting of PAC held on 11/12/2009, the Department produced revised working paper which indicated that DAC had been conducted and the final grant figures of the Department amounting to Rs.14,69,41,083/- had been confirmed. There was nominal saving of Rs. 32,53,000/- which was recommended to be condoned by the PAC.

-

**PROVINCIAL HEALTH SERVICES ACADEMY**

**Grant No.13**

**073301-Mother and Child Health**

**0733-Medical & Maternity Centre Services**

13. The Accountant General reported excess of Rs.26,03,246/- against the final grant of Rs.57,44,440/- whereas the Department reported excess of Rs.19,820/-.

14. Since there was variation of actual expenditure and savings between two sets of Accounts hence, it was deferred with the direction to the Department (Mother & Child Health) to hold DAC meeting and come up with reconciled figures of expenditure/saving with the reasons thereof.

15. In the meeting held on 11/12/2009 the committee noted that the DAC was not yet held due to which the accounts were again deferred for conducting DAC with direction to take disciplinary action against the responsible officers/officials for not holding DAC meeting.

16. In the next meeting of PAC held on 29/04/2010, the accounts were again discussed wherein the figures of the Department was accepted by the AG as there was minor savings, hence the Committee condoned the same with the direction to the Department to carry out reconciliation on monthly basis and simultaneously at the end of the financial year so that correct figures could be incorporated.

### **Grant No.13**

#### **076-Health Admn:**

##### **076101-Admn: PHSA**

17. The Accountant General reported excess of Rs.24,406/- against the final grant of Rs.93,10,552/- whereas the Department reported saving of Rs.4,75,594/-

18. Since there was variation of actual expenditure and savings between two sets of Accounts hence, it was deferred with the direction to the Department (PHSA) to hold DAC meeting and come up with reconciled figures of expenditure/saving with the reasons thereof.

19. In the meeting held on 11/12/2009 the committee noted that the DAC was not yet held due to which the accounts were again deferred for conducting DAC with direction to take disciplinary action against the responsible officers/officials for not holding DAC meeting

20. In the next meeting of PAC held on 29/04/2010, the accounts were again discussed wherein saving being nominal was recommended to be condoned.

### **Grant 13**

#### **0961-Administration**

##### **096101-Allied Institutes of PHSA**

##### **i.e. Nursing Schools, Public Health Schools,**

##### **PGPI, PIMTs and DHDCs**

21. On 14/09/2009. the accounts were deferred for want of figure of original grant.

22. In the next meeting held on 11/12/2009, discussion on the accounts was deferred for conducting of DAC meeting. The Committee noted that DAC was not yet conducted due to which the accounts were again deferred for conducting DAC with the direction to take disciplinary action against the responsible officers/officials for not convening DAC meeting.

23. In the next meeting of PAC held on 29/04/2010, were again discussed wherein 2 % saving being nominal was recommended to be condoned. However, the Department was directed to carry out reconciliation seriously in future.

### **HAYAT ABAD MEDICAL COMPLEX**

### **Grant No.13**

#### **09-Education Affairs & Services**

##### **0931-Tertiary Education Affairs and Services**

**093102-Professional/Technical/Universities/Colleges/Institutes**

**PGMI Hayat Abad Medical Complex.**

24. The committee after detailed discussion deferred the accounts for provision of Head wise detail.

25. In meeting held on 11/12/2009 the accounts were again discussed and saving of Rs.20,400/- being negligible was recommended to be condoned.

-

**Grant No.13**

**09-Education Affairs & Services**

**093-Tertiary Education affair and Services**

**0931-Tertiary Education affairs and Services**

**093102-Professional/Technical/Universities/Collages/Institute**

**KMC Peshawar**

**A06402-Contribution**

26. The committee after detailed discussion deferred the accounts for provision of Head wise detail.

**Grant No. 13.**

**60000-Transfer to Funds Reserve Payment**

27. The committee after detailed discussion deferred the accounts for provision of Head wise detail.

**AYUB MEDICAL COLLEGE.**

**Grant No. 13**

**093102- Professional/Technical/Universities/Collages/Institute**

**Ayub Medical College Abbottabad**

**A05- Grants and Subsidies**

28. The Committee after detailed discussion deferred the Accounts of the above mentioned Institution for the provision of Head wise details.

29. In the next meeting of PAC held on 29/04/2009, the Department provided head wise detail. No excess/saving was involved hence, no comments.

**Grant No. 13**

**093102-Professional/Technical/Universities/Collages/Institute**

**Post Graduate College of Nursing**

30. The Accountant General reported saving of Rs.9,52,060/- against the final grant of Rs.46,29,060/- whereas the Department reported saving of Rs.14,37,594/-

31. The Department (Post Graduate College of Nursing) could neither advance any plausible explanation about saving nor had mentioned the figures of original grant in working paper. Hence, it was directed to hold DAC meeting and come up with clear picture.

32. In the meeting held on 11/12/2009, the Committee noted that there was difference between the contentions of AG and the Department, therefore, it deferred consideration on the accounts with the direction that the Department should once again reconcile the figures with the AG and Finance Department and come up with correct figures for consideration. In case of any variation, the Department should give detailed reasons thereof.

**Grant No. 13**

**09-Education Affairs and Services**

**093-Tertiary Education Affairs and Services**

**0931- Tertiary Education Affairs and Services**

**093102- Professional/Technical/Universities/Collages/Institute**

**Saidu Medical College, Swat.**

33. The Accountant General reported saving of Rs.91,13,012/- against the final grant of Rs.3,01,25,010/- whereas the Department reported saving of Rs.16,563/-

34. The Accounts of Saidu Medical College, Swat were deferred with the direction to the Institution to come up with reconciled figures.

35. In the meeting held on 11/12/2009, the accounts were deferred due to shortage of time.

36. In the next meeting of PAC held on 29/04/2010, the Committee observed that there was difference between the figures of both sets of accounts. The accounts were therefore, deferred with the direction to the Department to reconcile the figures with the Accountant General and come up with revised working Paper reflecting agreed upon figures for consideration of PAC.

**Grant No. 13**

**09102- Professional/Technical/Universities /Collages/Institute**

**4083- Gomal Medical College D.I Khan**

37. The Accountant General reported saving of Rs.4,836/- against the final grant of Rs.2,99,24,544/- whereas the Department reported saving of Rs.5,307/-.

38. Savings being nominal was recommended to be condoned.

-

**Grant No. 47**

**07-Health**

**073101-General Hospital Services (Development)**

**i-General Hospitals**

**ii-LRH**

**iii-Basic Health**

**073401-Nursing & Convalescent Home Services**

**074101-Anti Malaria**

**074103- Anti Tuberculosis (Dev)**

**074105-EPI Development**



**074106-Preparation & Dissemination of Information & Public Health Matters**

**074120-Others**

**076101-Administration**

**09-Education Affairs & Services**

**093102- Professional/Technical/ Universities/ College/ Institution**

39. The Accounts were deferred for want of the figures of original grant.
40. The Accounts were discussed on 29/04/2010 and again deferred for reconciliation of figures within 15-days.

**CHEMICAL EXAMINER AND HEALTH LABORATORIES**

i. **Grant No. 13**

**0741-Public Health Services**

**074104-Chemical Examiner**

**& Health Laboratories**

ii. **Grant No. 13**

**074104-Chemical Examination & Health Laboratories**

**PR-4177 (Drugs Testing Laboratory)**

iii. **Grant No. 13**

**074104-Chemical Examiner & Laboratories (Food Laboratory)**

41. In the meeting held on 11/12/2009, the Committee observed that there was huge difference between two sets of accounts. The accounts were therefore, deferred with the direction to the Department to reconcile the figures with Accountant General, conduct DAC meeting and come up with revised working paper reflecting agreed upon figures for consideration of the PAC.

42. In the next meeting of PAC held on 29/04/2010, the Committee noted with grave concern that incorrect figures of final grant were incorporated. There was difference of figures as the Finance Department had not taken effect of the surrendered figures. The Finance Department was directed that correct figures of the final grant may be reported to the concerned Department as well as Accountant General in future. Similarly the Department was also directed that they should also reconcile the figures of final grant with the Finance Department regularly to avoid future complications.

**SARHAD HOSPITAL FOR PSYCHIATRIC DISEASES.**

**Grant No. 13**

**A-073201-Special Hospital Services (Mental Hospital)**

43. The Committee noted difference of Rs. 1,50,000/- in the figures of final grant in both sets of accounts. The Finance Department explained that Rs. 1,50,000/- was provided to the Department as additional grant but its effect had not been booked in the Appropriation Accounts in time. The figures shown by the Department was accepted as correct.

44. In view of the above, saving of Rs. 1,61,709/- was recommended to be condoned.

**GOVERNMENT MENTAL & GENERAL HOSPITAL, DADAR MANSEHRA**

**6-4000-Social Services**

**6-42000-Health**

**6-423000-Mental Hospital Dadar**

45. In the meeting held on 11/12/2009, the Committee noted difference in final grant figures in both sets of accounts. The Accountant General reported saving of Rs.1,75,255/- whereas the Department was claiming saving of Rs. 14,84,708/-. The Department also referred to its letter No. 753 dated 9/6/2005 annexed with the working paper and claimed that savings had been surrendered in time.

46. The Committee noted that the letter was addressed to the Director General, Health Services and not to the Finance Department, which clearly showed that savings had not been surrendered.

47. In view of the above, the Committee directed the Department to conduct Departmental inquiry in the matter, fix responsibility followed by disciplinary action as to why such huge saving was not surrendered in time to the Finance Department and report progress to PAC within one month.

48. In the next meeting of PAC held on 29/04/2010, wherein the accounts were again discussed and deferred due to variations. The Department was directed to sit with the Finance Department and reconcile final grant figures and come up with agreed upon figures for consideration of PAC.

**DIRECTOR GENERAL HEALTH SERVICES**

**Grant No. 13**

**07-Health**

**0711-Medical Products, Appliances & Equipments**

**071102-Drug Control**

-

**Grant No. 13**

**07-Health**

**076-Health Admn:**

**0761-Administration**

**076101-Administration Health Department**  
**A03-Operating Expenses**

-

**Grant No. 13**

**07-Health**

**076-Health Admn:**

**0761-Administration**

**076101-Administration/Temporary Posts of OSD**

-

**Grant No. 13**

**07-Health**

**076-Health Admn:**

**0761-Administration**

**076101-Administration/Surplus Staff**

-

**Grant No. 13**

**07-Health**

**076-Health Admn:**

**0761-Administration**

**076101-Non SAP (Administration)**

49. In the meeting held on 11/12/2009, the accounts were deferred for want of DAC with the direction to the Department to submit revised institution wise working paper for the next meeting of PAC.

50. In the next meeting of PAC held on 29/04/2010, the Committee noticed that the figures of expenditures did not tally, therefore, the Department was directed to sit with AG and reconcile the figures of expenditure and submit detailed reasons of variations to the PAC on the next Monday i.e. 03/05/2010 at 2:00 p.m.

-

**POLICE & SERVICES HOSPITAL**

**Grant No. 13**

**073101-General Hospital Services.**

**Police & Services Hospital.**

**DHS, Peshawar**

51. The Accountant General reported saving of Rs.12,55,471/-against the final grant of Rs.2,43,18,537/-

52.. The Department explained that huge saving was due to adopting economy measures and vigilant check on operating expenses. It also explained that the savings had been surrendered in time.

53. The explanation of the Department being plausible was accepted and saving of Rs.12,55,471/- was recommended to be condoned.

**GOVT: CITY HOSPITAL KOHAT ROAD PESHAWAR**

**Grant No. 13**

**073101-General Hospital & Services. DHS, Peshawar**

54. The Committee observed that there was huge difference in the figures of final grant and actual expenditure in both sets of accounts, hence deferred for conducting DAC with the direction to submit revised working paper for each Hospital according to budget books, for next meeting of PAC.

55. In the next meeting of PAC held on 29/04/2010, the Department was directed that figures of original grant, final grant and actual expenditures in respect of each Hospital may be highlighted in working paper for consideration of the PAC as the present working paper does not provide detailed break up in respect of each Hospital.

**KHYBER MEDICAL COLLEGE, PESHAWAR**

**09-Education Affairs & Services**

**093-Tertiary Education Affair & Services**

**0931-Tertiary Education Affair & Services**

**093102-Professional/Technical University/Colleges/Institution**

**PR-4134 KMC, Peshawar**

**A06402-Contribution/Transfer to Reserve Funds**

56. In the meeting held on 11/12/2009 the accounts were deferred due to shortage of time.

57. In the next meeting of PAC held on 29/04/2009, the explanation of the Department was found plausible therefore, excess of Rs.4,60,128/- was recommended to be condoned.

**KHYBER COLLEGE DENTISTRY, PESHAWAR**

**Grant No. 13**

**09-Education Affairs & Services**

**0931-Tertiary Education Affairs & Services**

**093102-Professional/Technical**

**Universities/Colleges/Institutes**

**PGMI, Hayatabad Medical Complex**

**A-05-Grant & Subsidies**

58. In the meeting held on 11/12/2009 the accounts were deferred due to shortage of time.

59. In the next meeting of PAC held on 29/04/2009, the Department provided head wise detail. No excess/saving was involved hence, no comments.

**GOMAL MEDICAL COLLEGE, D.I.KHAN**

**09-Education Affairs & Services**

**093-Tertiary Education Affairs & Services**

**0931-Tertiary Education Affairs & Services**

**093102-Professional/Technical Universities/Colleges/Institute**

**4083-Gomal Medical College, D.I.Khan (NC-21017) (G-013)**

60. In the meeting held on 11/12/2009 the accounts were deferred due to shortage of time.

61. In the next meeting of PAC held on 29/04/2009, the Accountant General reported saving of Rs.4,836/- against the final grant of Rs.2,99,24,544/- whereas the Department was claiming saving of Rs.5,307/- against the final grant amounting to Rs.2,99,25,015/-.

62. It was noted by the Committee that there was variation between the two sets of accounts in each Sub-Head. Neither the expenditure nor the final grant tallied. Ultimately the Committee could not reach any conclusion due to the confusing figures.

63. The Department was directed to reconcile the accounts with AG and come up with agreed upon figures to the PAC.

-

**DHQ TEACHING HOSPITAL D.I.KHAN**

-

**Grant No. 13**

**073101-DHQ Teaching Hospital D.I.Khan**

**SAIDU TEACHING HOSPITAL SWAT**

**Grant No. 13**

**073101-MS Saidu Teaching Hospital Swat**

**SECTION OFFICER (GENERAL) HEALTH DEPARTMENT**

**Grant No.**

**07-Health**

**076-Health Administration**

**0761-Administration**

**076101-Administration**

64. In the next meeting of PAC held on 29/04/2010, the accounts were again discussed and the savings was condoned with the direction to the Department to ensure timely surrender of savings in future.

-

**LOCAL GOVT:, ELECTIONS & RURAL DEV: DEPARTMENT**

**Grant No.17**

**01-General Public Services**

**011108-Local Authority**

**Administration and Regulation of Local Bodies.**

**A01101-50- Pay of Officer**

The Accountant General reported saving of Rs.2,92,610/- against the final grant of Rs.24,65,000/-.

2. The explanation given by the Department being plausible was accepted hence, savings was recommended to be condoned.

**Grant No.17**

**011108-Local Authority Admn:**

**Pakistan Rural Academy**

3. No excess/savings was involved hence, no comments.

**Grant No.17**

**011108-Local Authority Admn:**

**Rural Work Academy**

4. No excess/savings was involved hence, no comments.

**Grant No.17**

**018101-Provincial Election Authority**

5. The Accountant General reported excess of Rs.54,473/- against the final grant of Rs.10,10,300/-.
6. The reply of the Department being plausible was accepted hence, the excess was recommended to be condoned.

**Grant No.17**

**06-Housing & Community Service**

**062206-Administration**

**Surplus Staff of DG Local Government**

-

7. The Accounts were deferred for reconciliation.

-

**Grant No.44**

**06-Housing & Community Amenities**

**062-Community Development**

**0621-Urban Development**

**062120-Others (Capital)**

8. The Accountant General reported saving of Rs.14,22,100/- against the final grant of Rs.10,29,75,000/-.
9. The savings being nominal was recommended to be condoned.

**Grant No.44**

**062202-Rural Works Programme (Capital)**

10. The Accountant General reported excess of Rs.27,01,295/- against the final grant of Rs.12,06,73,000/- whereas the Department has reported no saving/excess.
11. The variation between two sets of Accounts was, therefore, deferred for reconciliation of actual expenditure.

**Grant No.44**

**06203-IRDP (Tamer-e-Sarhad) Development**

12. The Accountant General reported savings of Rs.43,12,22,102/- against final grant of Rs.67,25,77,959/- whereas the Department reported savings of Rs.17,06,94,331/-.
13. The variation between two sets of Accounts was deferred for reconciliation of actual expenditure.

**Grant No.44**

**062202-Rural Works Programme (Development)**

14. The Accountant General reported savings of Rs.90,15,380/- against the final grant of Rs.25,84,52,000/- whereas the Department reported savings of Rs.34,52,43,137/-.
15. In view of the plausible explanation given by the Department, the savings was recommended to be condoned.

-

## **POPULATION WELFARE DEPARTMENT**

### **Grant No. 28**

#### **6-40000-Social Services**

#### **6-43000-Population Planning**

#### **6-431-Population Planning & Welfare Department**

There was difference of Rs. 0.6 million in the final grant figures of both sets of accounts.

2. The Department explained that the variations were settled/clarified in the DAC meeting held on 20/04/2009 in the office of Secretary Population Welfare, wherein the Accountant General and Finance Department accepted the figures reflected by the Department. It further explained that an amount of Rs.64,323/- was surrendered to Finance Department in time but the Finance Department could not made book adjustment accordingly.

3. In view of the above explanation, the nominal saving of Rs.64,323/-was recommended to be condoned by the PAC.

### **Grant No.51**

#### **07-Health**

#### **0741-Public Health Services**

#### **074107-Population Welfare Measures**

4. There was difference in figures of the final grant and actual expenditure in both sets of accounts.

5. The Department explained that there was an over all saving of Rs. 2,85,46,610/- out of which Rs. 3.053 million was transferred to FATA for construction of R.H.S. The remaining saving of Rs. 2,54,93,610/- during the year 2004-2005 was due to non approval of PC-I by the ECNEC which delayed the Establishment of Family Welfare Centers with the capacity of about 600 vacant posts of different cadres, procurement of transport and equipments not entertained by the Finance Department, NWFP.

6. The explanation of the Department regarding over all saving of Rs. 2,85,46,610/-duly verified by Finance Department and Accountant General was accepted by the Committee and saving was recommended to be condoned.

## **HOME & TRIBAL AFFAIRS DEPARTMENT.**

At the outset, the Secretary to Government of NWFP, Home & Tribal Affairs Department, informed the Committee that he had just assumed the charge of his office and the working paper furnished by the Department has been prepared before his assumption of charge. He told the Committee that the working paper is not up to the standard to be presented before the August forum of Public Accounts Committee for consideration as he himself was not satisfied with the explanation given in the documents. He therefore, apologized for the same and requested the Committee for grant of reasonable time to the Department for preparation of proper working paper.

2. The Committee appreciated the interest of Secretary, Home & Tribal Affairs Department in such matters and accepted his request for deferment of consideration on the Accounts of Department with the direction to prepare working paper in accordance with the instructions already issued by the Assembly Secretariat on 12-09-2009 and submit the same to PAC cell.

3. Under Rule 172 of North West Frontier Province Procedure and Conduct of Business Rules, 1988, the quorum to constitute a sitting of the Public Accounts Committee, is four while only three Members were present, therefore, the Acting Chairman, Mr. Mukhtiar Ali, MPA adjourned the sitting till 16/12/2009 at 10.00 a.m. with the direction that accounts pertaining to Home & Tribal Affairs Department, Governor's Secretariat and M.S to Governor would be discussed rescheduled.

**Grant No. 8**

**03-Public Order and Safty Affairs**

**036-Administration of Public Order**

**0361-Administration**

**036101-Secretariat/Administration**

**Secretary Home and TAs Department**

4. The Accountant General reported saving of Rs.8,63,531/- whereas the Department reported saving of Rs.1,21,759/-.

5. The Committee noted variation between the actual expenditure of both sets of accounts. The Department could not give plausible explanation to the Committee hence, the issue was referred to the Sub-Committee for detailed discussion with the direction to the Department to reconcile the figures with the Accountant General and come up with revised working paper for consideration of Sub-Committee.

**Grant No. 8**

**0361-Administration**

**036101-Secretariat/Administration**

**District Public Safety Commission**

6. The Accountant General reported excess of Rs.52,47,616/- whereas the Department claimed saving of Rs.1,74,599/-.

7. The Committee noted variation between the actual expenditure of both sets of accounts. The Department explained that this account was shared with the accounts of Prosecution. The Committee was not satisfied with the explanation advanced by the Department. Since, the PAC could not reach any conclusion therefore, this issue was also referred to Sub-Committee for detailed deliberation with the direction to the Department to reconcile its figures with the Accountant General and prepare separate working paper showing object wise details so as to arrive at decision.

**Grant No.8**

**01-General Public Service**

**011-Executive & Legislative Organs**

**Financial and Fiscal Affairs**

**External Affairs**

**0111-Executive Legislative Organs**

**011105-District Administration**

**Surplus Staff (Magistracy)**

8. The Accountant General reported excess of Rs.10,11,956/- whereas the Department reported saving of Rs.1,139,080/-.

9. The Committee noted variation in figures between the two sets of accounts. Hence, was referred to the Sub-Committee for detailed deliberation.



Grant No.10

032102-Provincial Police Direction

-

Grant No.10

03-Public Order Safety Affairs

032102-Provincial Police

Regional Command Law and Order

-

Grant No.10

03- Public Order Safety Affairs

032102-Provincial Police

Law and Order (Districts)

-

Grant No.10

03- Public Order Safety Affairs

032102-Provincial Police

Police supplied to other Government Departments

Grant No.10

03- Public Order Safety Affairs

032102-Provincial Police

Regional Command Investigation

-

Grant No.10

03- Public Order Safety Affairs

032102-Provincial Police

Additional IG Investigation

Grant No.10

03- Public Order Safety Affairs

032102-Provincial Police

District Investigation

-

Grant No.10

03- Public Order Safety Affairs

032102-Provincial Police

Provincial FRPs

Grant No.10

03- Public Order Safety Affairs

032102-Provincial Police

Police Telecommunication

Grant No.10

03- Public Order Safety Affairs

032102-Provincial Police

Other Police (QRP)

Grant No.10

03- Public Order Safety Affairs

032102-Provincial Police

Aliens Branch

-

Grant No.10

03- Public Order Safety Affairs

032102-Provincial Police

Miscellaneous

Grant No.10

03- Public Order Safety Affairs

032102-Provincial Police

Peshawar City Police

Grant No.10

03- Public Order Safety Affairs

032102-Provincial Police

Campus Peace Corp University Campus

-

Grant No.10

03- Public Order Safety Affairs

032102-Provincial Police

Traffic Police

-

Grant No.10

03- Public Order Safety Affairs

032102-Provincial Police

Special Branch Police/CID

Grant No.10

03- Public Order Safety Affairs

032102-Provincial Police

Provincial Traffic Control (MVA)

Grant No.10

03- Public Order Safety Affairs

0321-Police

032102-Provincial Police

Devolution Transition Fund (DTF)

Grant No.10

03- Public Order Safety Affairs

036101-Secretariat

Directorate of Prosecution

-

Grant No.10

034101-Jails & Convict

(Direction)

-

Grant No.9

034101-Jail & Convict

(Central Jail)

-

Grant No.9

034101-Jail & Convict

(District Jail)

Grand No.9

03-Public Order and Safety Affairs

034120-Others (Other Places of Detention and Correction)

Reclamation and Probation organization

-

Grant No.8

03-Public Order and Safety Affairs

033-Fire Protection

0331-Fire Protection

033101-Administration

Civil Defense Provincial

-

Grant No.8

01-General Public Service

0112-Financial and Fiscal Affairs

011250-Others

**Armed Services Board**

10. The Committee noted that there was great difference between the figures of all the above accounts .Therefore, it referred the above Heads/objects to the Sub-Committee for detailed scrutiny with the direction to the Department to reconcile the figures with the Accountant General prior to the meeting of Sub-Committee is held.

**Grant No.10**

**03-Public Order and Safety Affairs**

**032111-Training**

**Police Training Institute.**

11. No excess/saving was involved hence, no comments.

**Grant No. 10**

**03-Public Order Safety Affairs**

**032-Police**

**032102-Provincial Police Works**

12. No excess/saving was involved hence, no comments.

**Grant No.8**

**Page No. 215 Kala Dhaka**

13. The saving being nominal was recommended to be condoned.

**SCIENCE & TECHNOLOGY & INFORMATION TECHNOLOGY DEPARTMENT**

**Grant No.5**

**01-General Public Services.**

**015-General Services**

**0154-Other General Services**

**015405-Centralized Data Processing Services.**

It was pointed out that there was variation of figures between two sets of accounts particularly in the expenditure column. The PAC observed that the expenditures might be varied due to non reconciliation of the figures.

2. The Committee directed the Department to reconcile the figures with AG office and come up with agreed upon figures.

**Grant No.43**

**01-General Public Services**

**015-General Services**

**0154-Other General Services**

**015405-Centrilized Data Processing Service**

3. The Committee observed that originally a sum of Rs.4,10,00,000/- was reflected in the budget books which was reduced to Rs.2,03,00,000/- in the final grant. Even the reduced amount was not utilized in full.

4. The Committee was of the view that by reflecting exaggerated figures in the Budget, the Legislatures were deprived to allocate the fund to developmental activities. Moreover, object wise detail was also not provided to the PAC, therefore, it directed the Department that objects wise detail may be incorporated. The accounts were therefore deferred.

**Grant No.**

**035100-TLA Home Deptt.**

**8-0000 Classification Code.**

**03000- General Admn:**

**03000- Economic Regulation**

**8-03200-Planning (Research & Development Sector)**

**000120000000- Purchase of Machinery.**

5. The working paper prepared by the Department did not show separate figures of AG and the Department. Therefore, the same was deferred with the direction to the Department to come up with detailed explanation and separate figures of AG and the Department for further consideration of the Committee.

**Grant No.**

**10079-Extention of Information Technology**

**Establishment of two Computer Lab STI Peshawar**

6. Deferred with the direction to the Department to come up with detailed explanation of untimely surrender of the excess amount of Rs.96,099/-.

-

**COMMUNICATION & WORKS DEPARTMENT.**

**Grant No. 14**

**045101-Administration.(FHA)**

The Accountant General reported excess of Rs.11,02,010/- against the Final Grant of Rs.1,99,79,250/-

2. The Department explained that the excess occurred only in Pay & Allowances, which was unpredictable.

3. In view of the above, the Committee recommended the excess of Rs.11,02,010/- to be condoned.

**Grant No. 14.**

**04-Economic Affairs.**

**045-Construction and Transport.**

**045101-Administration.**

**Works & Services Secretariat.**

4. Saving of Rs.41,407/- being nominal was recommended to be condoned.

**Grant No. 14.**

**045101-Administration**

**Director, Building Construction.**

-

**Grant No. 14.**

**045101-Administration**

**Chief Engineer.**

**Grant No. 14.**

**045101-Administration**

**(Surplus Staff)**

-

**Grant No. 14.**

**045101-Administration**

**Abasin Construction Corporation.**

**A05-Grants, Subsidies.**

5. There was difference between the figures in both sets of accounts. The Committee therefore, deferred consideration of the accounts for 10 days and directed the Department, Accountant General and Finance to carry out reconciliation of the above objects/grants and come up with agreed upon figures for consideration of PAC.

6. The Committee also deferred consideration on the following grants for reconciliation and directed the Department, Accountant General and Finance to carry out reconciliation of the objects/grants and come up with agreed upon figures:-

(i). **Grant No. 15.**

(ii). **Grant No. 16.**

(iii). **Grants No. 43 & 51.**

(iv). **Grant No. 44.**

(v). **Grant No. 45.**

(vi). **Grant No. 46.**

(vii). **Grant No. 47.**

(viii). **Grant No. 49.**

-  
  
-  
  
-

## **HOME & TRIBAL AFFAIRS DEPARTMENT**

### **CO2631-Police Supplied to Railway**

The Accountant General reported nil receipt against the estimated budget of Rs.51,47,300/-. The Department as usual explained that the target was fixed for the Police supplied to safeguard the Railway installations. However, the Railway Authorities have not paid their dues in time.

2. Mr. Saqibullah Khan Chamkani, MPA pointed out that this is an outstanding problem of certain Departments i.e. Police, Food, Irrigation, C&W and Forest Department whose amount has been stuck up with the Federal Government. Such an issue was also referred to the Sub-Committee and the Sub-Committee directed that at the first instant the amount should be reconciled with the concerned quarters to know the actual claims but it was noted that the Department did not reconcile the figures so far and as such the Finance Department showed inability to take the case with Federal Adjuster for at-source-deduction.

3. The Committee noted with grave concern that the Police Department has not taken any interest to pursue the case with the Railway authorities regarding reconciliation of the outstanding amount. It, therefore, directed that responsibility in this regard may be fixed and stern action may be taken against the officers involved for non reconciliation of the outstanding amount and report may be submitted to PAC within one month.

4. As regards the present shortfall, the Department was also directed to reconcile the figures with the Railway authorities within fifteen days positively and take up the case with Finance Department for recovery of the outstanding amount from the Federal Government. Report in this regard should be submitted to PAC within one month.

### **CO2632-Federal Government**

5. The Accountant General reported nil receipt against the estimated receipt of Rs.44,11,000/-. The Department explained that the target was fixed for the Police supplied to safeguard the Federal Government installations but the Federal Government Departments do not pay their dues in time.

6. The Committee noted with grave concern that the Department has not taken any interest to pursue the case with Federal Government Departments which is its responsibility. It, therefore, directed the Department to reconcile the figures with the Federal Government Departments within fifteen days positively and take up the case with Finance Department for recovery of the outstanding amount from the Federal Government. Report in this regard should be submitted to PAC within one month.

### **CO2633-Municipal Corporation**

7. The Accountant General reported nil receipt against the estimated figures of Rs.51, 93,700/-. The Department explained that the amount was pending against the Municipal Corporations and they are unable to pay the dues. The Committee was informed that this is one of the long outstanding issues, as in the previous reports, the Department was directed to take up the case with Municipal Corporations to recover the outstanding dues but the Department has miserably failed to pursue the case with the concerned quarters.

8. The PAC, therefore, directed that responsibility for not pursuing the case with Local Government Department may be fixed and stern action may be taken against the responsible officers.



9. As regards the present shortfall, the Department was directed that the amount may be reconciled with the concerned quarters and the case may be taken up with Finance Department for at source deduction. Progress in this regard may be reported to PAC.

#### **CO2634-Private Bodies.**

10. The Accountant General reported excess receipt of Rs.1,43,86,420/- against the estimated receipt of Rs. 1,52,36,000/-. The excess receipt was appreciated; however the Committee noted that the target for 2004-05 was fixed less than the actual of the previous year. The target seemed to be un-realistic and the Finance Department could not advance any justification for fixing less target.

11. The PAC directed the Finance Department that while fixing the target, the actual receipt of previous year must be taken into consideration to avoid such un-realistic targets.

#### **CO2637-Motor Driving License**

12. The Accountant General reported excess receipt of Rs.6,55,125/- against the estimated receipt of Rs. 3,93,18,000/-. The excess receipt was appreciated; however the Committee noted that the target for 2004-05 was fixed less than the actual of previous year. The target seemed to be un-realistic and the Finance Department could not advance any justification for fixing less target.

13. The PAC directed the Finance Department that while fixing the target, the actual receipt of previous year must be taken into consideration to avoid such un-realistic targets.

#### **CO2638-Police Traffic Fine.**

14. The Accountant General reported less realization of Rs. 41,54,877/-.

15. The Committee noted that the target provided to the Department was less than the actual receipt of the previous year but even than the Department did not achieve the target. It was observed by the Committee that the flow of Traffic was increased in the succeeding years and the Department should have achieved the target in all respects. The Department could not advance any plausible explanation. The PAC in such circumstances directed that every effort may be made to achieve the targets in future. In case of non achieving the targets, proper explanation has to be given to the PAC.

#### **CO2640-Police Overpayment**

16. The Accountant General reported shortfall of Rs.9,51,022/- against the estimated receipt of Rs.1,16,28,000/-.

17. The Committee noted that the target provided to the Department was un-realistic; however, realization was almost equal to the revised estimate of the previous year. It, therefore, condoned the shortfall with the direction to the Finance Department to hold meetings with senior officers of the Departments concerned before fixing the targets.

#### **CO2642-Other Misc:**

18. The Accountant General reported shortfall of Rs.65,49,181/- against the estimated receipt of Rs.1,28,18,000/-.

19. The Department explained that the target was un-realistically higher; however, it had collected more than the previous year's actual.

20. The explanation advanced by the Department was not found plausible by the Committee, it therefore, directed the Department to conduct enquiry that why target was not achieved, fix responsibility and progress may be reported to PAC.

#### **B02811-Moter Vehicle**

##### **Act (Fitness)**

21. The Accountant General reported shortfall of Rs.49,68,740/- against the estimated receipt of Rs.1,00,00,000/-.

22. The Department explained that the target was un-realistically higher; however, it had collected more than the previous year's actual.

23. The explanation advanced by the Department was not found plausible by the Committee, it therefore, directed the Department to conduct enquiry that why target was not achieved, fix responsibility and progress may be reported to PAC.

## **CO-2656-Sale Proceeds of Articles**

### **Manufactured in Jails**

24. The Accountant General reported overall excess receipt of Rs.67,66,962/- against the estimated receipt of Rs.60,00,000/-.

25. The Committee noted that the target was fixed less than the actual of pervious year. The target seemed to be unrealistic and directed that the Finance Department should fix realistic targets.

26. However, as regards recoveries of over payment, the Department was asked about the details of overpayment dues and how the target was estimated. Mr. Saqibullah Khan Chamkani, MPA was of the view that the Department should know the exact figures of any overpayment and it should not be based on estimation. The Committee therefore directed the Department to provide the details of overpayments on which the estimation of Rs.1, 00,000/- was based.

## **CO2666-Ordinary**

### **Receipts**

27. No excess receipt/shortfall, hence no comments.

28. The accounts pertaining to Administration & Establishment and Heath Departments were deferred due to lack of time.

-

## **ENVIRONMENT DEPARTMENT**

### **C-033-Economic Services**

#### **Receipt-Forests**

The Accountant General reported less receipts of Rs. 2,55,59,331/- against the revised estimates of Rs. 44,59,00,000/-.

2. The Accountant General pointed out that under the Sub-Head C03301-"Timber Removed by Forest Department" less receipt of Rs. 10,48,47,831/- was realized whereas under Sub-Head C03307-"Timber Removed by Consumer" an excess of Rs.1,62,78,175/- were realized against the revised estimates of Rs.3,71,43,068/-.

3. The Department explained that against the original target of Rs.400.00 million revenue worth Rs. 42,06,31,000/- was realized which is more than original target but the Finance Department increased the target to Rs. 44,59,00,000/- in May 2005 which could not be realized by the Department due to imposition of ban by the Government on commercial harvesting. It further added that increase in the target was more than 25% of the previous year hence not realistic.

4. In view of the above explanation the Committee recommended less receipts of Rs.2,55,59,331/- to be condoned with the direction to the Department to provide supporting documents in the working paper in future. The Committee also directed the Finance Department to fix realistic targets in consultation with the Administrative Departments in future.

**C-03201-Fisheries Ordinary Receipt**

**C-03205-Fisheries Others**

5. The Accountant General reported less receipt of Rs.8,66,511/- against the revised estimates of Rs.72,46,000/-.
6. The Department explained that the actual shortfall was Rs.8,55,474/- and not Rs.8,66,511/- same figures were admitted by Accountant General.
7. The Department further explained that water bodies of Small Dams throughout the Provinces were being put to open auction on alternate year and in the year 2004-05 less water bodies of Small Dams were put to auction, hence less revenue was realized by the Department.
8. In view of the explanation advanced by the Department, the Committee recommended the less realization of Rs.8,55,474/- to be condoned subject to site visit and physical verification of Sherabad Warsak Road Fish Hatchery by Members of PAC.

-

**FOOD DEPARTMENT**

**C-038-Others**

**C03811-Sugarcane Dev: Cess**

**C-03815-Other Receipt Collection Charges of Sugarcane Dev: Cess A/spry**

- 
- The Accountant General reported less realization of Rs.48,76,650/- against the revised target estimates of Rs.2,12,00,000/-.
2. Mr. Abdul Akbar Khan, MPA pointed out that the Department had not reflected original target in its working paper. He further pointed out that in the previous year i.e. 2003-04 the Department collected Rs.1,63,41,558/- under Head C-03811 "Sugarcane Dev: Cess" and the Finance Department should have increased the target for the succeeding year instead of decreasing it to Rs.1,40,00,000/-.
3. The Secretary admitted the mistake of not reflecting the figures of original target in working paper. He assured the Committee that the same would be reflected in future. He further explained that shortfall was due to less production of sugarcane crops and non availability of Arial Spray in time.
4. In view of the plausible explanation advanced by the Department less receipts of Rs.48,76,650/- was recommended to be condoned by the Committee.
- 

-

**FINANCE DEPARTMENT**

**C-016-Interest on Loans & Advances to Govt: Servants**

**E-025-From Government Servants**

The Accountant General explained that no target was involved as after the year 1996-97 the facility of advances for House Building, Motorcars and Motorcycles was discontinued, despite that the Finance Department had fixed the target estimates.

2. The Committee noted the less realization with grave concern and pointed out that amount should have been recovered from the salaries of the Government Servants in time and blamed the poor accounting system of Accountant General and the Department in this regard.

3. The Finance Department explained that at that time the record of the Department was maintained manually and hence there was maximum possibility of oversight. It updated the Committee that now the record had been computerized and similar mistakes would be avoided in future.

4. In view of the above explanation the irregularity was recommended to be condoned by the Committee.

#### **LOCAL GOVT.: ELECTIONS & RURAL DEV: DEPARTMENT**

##### **C-02664-Housing & Physical Planning**

The Accountant General reported excess realization of Rs. 1,15,917/- against nil target.

2. The Department explained that Physical Planning and Housing Department had been abolished due to Devolution Plan, therefore, the Local Government Department is not in a position to respond. It further explained that the relevant record might be with the W&S Department.

3. In view of the above, the Committee directed the Finance Department to dig out as to which Department these receipts actually relate and report back to PAC.

-

#### **EXCISE & TAXATION DEPARTMENT**

##### **B-01301-Property Tax Ordinary Collection.**

The Accountant General reported shortfall of Rs.7,19,38,400/- against revised estimate of Rs.27,50,00,000/-.

2. The Department explained that less collection was due to exemption of five marlas residential houses from property tax made by the previous Government w.e.f 25<sup>th</sup> November, 2004. Shortage of staff also affected UIP Tax recovery. Further more, at that time Industrial crisis was also on high side.

3. In view of the explanation advanced by the Department, the Committee condoned the shortfall of Rs.7,19,38,400/-, however the Committee observed that the Department should have requested the Finance Department for reducing the target at the time of revised estimates. It showed that Department has not taken up the case seriously, which should be avoided in future.

##### **B-01302-Share of Net Proceeds Assigned to District/TMAs etc.**

4. The Accountant General reported less realization of Rs.10,88,21,118/- against the revised target estimates of Rs.21,50,00,000/-.

5. The Committee noted that the revised estimate fixed by the Finance Department was un-realistic and more than the previous year's actual collection i.e. Rs.9,62,31,620/-. The Committee, therefore, directed the Finance as well as all the Administrative Departments to fix realistic targets in future to save the Departments from embarrassing situation.

##### **B-01601-Ordary Collection from Tax on Profession, Trade & Callings**

6. The Accountant General reported shortfall of Rs. 2,63,45,275/- against the revised target estimates of Rs. 7,50,00,000/-.

7. The Department explained that less collection was due to large number of lawyers and doctors not paying the tax due to jurisdiction problem as most of the chambers/clinics/laboratories have been established in cantonment areas.

8. The Committee keeping in view the explanation of the Department recommended that the shortfall may be condoned with the direction that the Finance Department may fix realistic targets in future.

**B-02601-Malt Liquors Duty on Beer Manufacture in Pakistan**

9. The Accountant General reported excess receipt of Rs. 3,93,356/- against nil realization, hence no comments.

**B-02602-Foreign Liquors-Duty on Spirit Manufacture in Pakistan & Classed as Foreign**

10. No comments.

**B-02603-Licence Fee for the General Sale of Foreign Liquor Whether Imported or Manufactured in Pakistan.**

11. No comments.

**B-02611-Licence Fee for Commercial Spirit**

12. No comments.

**B-02612-Licence Fee for Denature Spirit**

13. The Accountant General reported shortfall of Rs. 8,17,756/-.

14. The Department explained that recovery regarding the license fee for Denature Spirits depends on the number of license issued by the Department. The explanation of the Department was accepted and shortfall was recommended to be condoned.

**B-02613-Permit Fee for Denature Spirit**

15. Under this Head the Department has shown excess receipts of Rs.93,21,987/- against the revised estimates of Rs. 50,19,000/-.

16. The Committee noted that the revised target was less than the actual realization of last year figure. During the year 2003-04 the Department realized a sum of Rs.1,27,07,776/- and in the subsequent year the revised estimates was fixed Rs.50,19,000/-.

17. The Committee wanted to know the reason of fixing less target than the last year actual receipts, the Department was not in a position to provide justification. Hence, it was deferred with the direction to come up with detail justification of fixing fewer targets.

**B-02621-Duty on the Spirit used in the Manufacture of Medicine & on Rectified Spirit & Absolute Alcohol used for Medicine**

18. The Accountant General reported shortfall of Rs. 19,88,718/-

19. The Department explained that recovery of excise duty depends upon on the sale and views of spirit and other related items. Since, sale was low therefore target was not achieved.

20. Mr. Saqibullah Khan Chamkani, MPA observed that Pharmaceutical companies and Population growth was increased therefore the explanation of the Department is not logical. The account was therefore deferred and the Department was directed to give detail and proper justification for the shortfall of this Head and the under mentioned Heads.

i. **B-02622-Receipt from Distilleries**

ii. **B-02623-Collection of Payments for Services Rendered**

iii. **B-02628-Others**

**B-02801-Fee for Registration**

**B-02801-Fee for Miscellaneous Receipt**

-

21. Excess receipt of Rs. 3,32,70,458/- against the revised estimates of Rs.9,50,00,000/- was appreciated.

**02803-Motor Vehicle Token Tax**

22. The Accountant General reported less realization of Rs. 7,62,21,019/- against the revised estimates of Rs. 42,50,00,000/-.

23. The Department explained that the target was much higher than the actual recovery of previous year, however, it has made improvement in recovery. It further explained that the owners of Commercial Vehicles in our Province were mostly paying their token tax in Punjab and Sindh as both the Provinces did not accept token tax paid in our Province due to which shortfall occurred.

24. In view of the plausible explanation advanced by the Department the shortfall of Rs. 7,62,21,019/- was recommended to be condoned. However, the Committee directed that the issue of token tax may be raised through Inter Provincial Coordination Department.

**B-03001-Duty recovered by Sale of Stamps.**

**B-03002- Duty recovered otherwise than by Sale of Stamps.**

**B-03004-Tax on Cinemas.**

-

25. The Accountant General reported shortfall of Rs. 85,95,550/- against the revised target estimates of Rs. 1,20,00,000/-.

26. The Department explained that the main shortfall occurred under the Head B03004-"Tax on Cinemas" and the reason was the introduction of Dish Antenna, CDs and Cable Networks due to which the trend of people going to cinemas was changed. It further explained that cinema seating reduction by District Government and demolition of cinemas in the Province, also affected the receipts.

27. In view of plausible explanation advanced by the Department, the shortfall of Rs.85,95,550/- was recommended to be condoned.

**B-03056-Tax on the Hotel Levied under Finance Act, 1965**

28. The Accountant General reported less realization of Rs. 1,24,59,191/- against the revised estimates of Rs. 2,60,00,000/-.

29. The Department explained that Hotel Tax was challenged in the High Court by some leading hotel's owners which caused the shortfall.

30. In view of the contention of the Department, shortfall of Rs.1,24,59,191/- was recommended to be condoned.

**B-03080-Tobacco Dev: Cess**

-

31. Excess receipt of Rs.7,92,99,000/- against the revised estimates of Rs.14,00,00,000/- was appreciated.

**B-03053-Fee for Registration of Real Estates Agencies**

32. Excess receipt of Rs.87,979/- against the revised estimates of Rs.50,00,000/- was appreciated.

**(C-03875) 5% Collection Charges from Federal Taxes**

-

33. The Accountant General reported less realization of Rs.60,08,962/- against the revised estimates of Rs.1,05,00,000/-

34. The Department explained that most of vehicles got exempted from withholding Tax (Income Tax) after completion of 10 years from the date of their registration. Moreover, the Federal Government had ceased 5% collection charges which caused shortfall in achieving the target.

35. The accounts were, therefore, deferred with the directions to the Department to provide details regarding ceasing of 5% collection charges by the Federal Government and Law/Rules regarding exemption from withholding tax on completion of 10 years period of vehicles.

## **IRRIGATION DEPARTMENT**

### **C-034-Irrigation Embankment & Drainage Works.**

#### **C-034-Irrigation Works**

##### **C-03431-Direct Receipts on Account of Water Rates**

-

The Accountant General reported shortfall of Rs.15,17,90,861/- against the revised estimates of Rs.35,14,11,000/-.

2. The Department explained that the main reason of less recovery was due to :-

- i) the Bara Water right problem and non-recovery from tribal area has negatively impacted the receipt;
- ii) the Patwaries are over burden and the additional responsibility of Abiana recovery has also been assigned to them, however the staff has not been increased which has affected the recovery.
- iii) the Abiana rates have been frozen since 2003.

3. On a point raised by Mr. Saqibullah Khan Chamkani, MPA that similar nature of issue of the previous year is already under consideration of the Sub-Committee therefore, the same was also referred to the Sub-Committee for detailed probe and report within one month.

##### **C-03432-Direct Receipt on Account of Sale of Water**

4. The Accountant General reported excess realization of Rs.1,00,57,464/- against nil revised estimate which was appreciated.

##### **C-03434-Other Irrigation**

5. Excess realization of Rs.95,61,252/- against the revised target estimates of Rs.1,75,89,000/- was appreciated.

## **REVENUE AND ESTATE DEPARTMENT**

### **B-01175-Tax on Agriculture Income**

#### **B-01311-Fee for Registration**

#### **B-01312-Copying Register Document.**

#### **B-01320- Others**

#### **B-014-Land Revenue**

#### **B-027- Stamps Duties**

Excess receipt of Rs.17,84,80,193/- against the revised target estimates of Rs.61,90,00,000/- was appreciated.



**C-03805-Rent/Rates & Taxes**

**C-03824-Recoveries of Over Payments**

**C-03831-Fees by Petitioners in Katchery Compound**

**C-03832-License Fee Sale of Petroleum**

**C-03845-Ferry Receipts under the Ferries Act of 1978**

**C-03870- Others**

2. Excess receipt of Rs.49,75,28,355/- against the revised target estimates of Rs.6,67,40,000/- was appreciated.

-

**AGRICULTURE, LIVESTOCK & COOPERATION DEPARTMENT**

**C03116-Others.**

**C03117-Receipt From Experimental Farms.**

**C03118-Receipty From Agriculture Seed Farms.**

**C03123-Receipty From Plant Protection Operation.**

**C03127-Agril:School & Colleges.**

**C03134-Agril: Recovery Of Overpayment.**

**C03136-Agril: Others.**

The Accountant General reported less realization of Rs.36,59,143/- against the revised target.

2. The Committee noted variations in the figures of heads/objects between the two sets of accounts but the Department could not advance any plausible explanation. Hence, the accounts were deferred with the direction to the Department to come up with reconciled figures.

**C03120- Receipt From Agriculture**

**Engineering/Machinery Maintenance Farms.**

3. The Accountant General reported less realization of Rs.3,42,22,785/- against the revised target. Explaining the reason of less realization the Department told that under the sub-head "Provincial Cell of Agriculture Engineering" it made excess realization of Rs.43,90,476/-. However, the fault lies on the part of District Governments, as they had failed to achieve the targets and realized shortfall of Rs.3,86,13,261/- under the sub-head "District Government" that affected over all realization.

4. In view of the above, less realization was recommended to be condoned.

**C03122- Receipt From Research Operation.**

5. The Accountant General reported less realization of Rs.537,155/- against the revised target amounting to Rs.15,804,000/-.

6. The shortfall being nominal was recommended to be condoned.

**C03133- Receipt of OFWM.**

7. The Accountant General reported excess receipt of Rs.3,22,380/- against the revised target of Rs.1,00,000/-.

8. The excess receipt above the target is commendable.

-

**C03223-Receipty From Livestock Farms.**

9. The Accountant General reported excess receipt of Rs.25,25,032/- against the revised target amounting to Rs.1,70,00,000/-.

10. The excess receipt above the target is commendable.

**C03225-Receipt From Research Institute. (Research Wing).**

11. The Accountant General reported excess receipt of Rs.36,281/- against the revised target of Rs.13,00,000/-.

12. The Department explained that the excess was due to selling of more vaccine during the year 2004-2005.

13. The Committee appreciated the efforts of the Department and condoned excess receipt of Rs.36,281/-.

**C03226-Receipt From Transferred Agriculture Farms.**

14. The Accountant General reported more realization of Rs.1,51,644/- against the revised target amounting to Rs.15,00,000/-.Explaining the excess realization, the Department told that it occurred due to auction of culled animals, trees and green grasses and enhancement of Lab analysis rates of various items.

15. The explanation being plausible was accepted and excess receipt above the target was condoned.

**C03404-Recoveries Of Overpayments.**

**C03406-Others.**

16. The Accountant General reported shortfall of Rs. 109832/- against the revised target of Rs.150000/-.

17. In view of the plausible explanation advanced by the Department, shortfall of Rs.109832/- was recommended to be condoned.

**ELEMENTARY & SECONDARY EDUCATION DEPARTMENT.**

**C02801-Fee Government University/ Arts Colleges.**

**C02802-Fees University Prof;Arts Colleges**

**C02803-Fee Government Secondary (Incl:Inter:Classes).**

**C02804-Fee Government Primary School.**

**C02810-Education General Income From Endowments.**

**C02811-Education General Cess Fund.**

**C02812-Education General Hostel Fee.**

**C02813-Education General Admission Fee.**

**C02814-Education General Recoveries of OverPayment.**

**C02818-Education Others.**

The Accountant General reported overall excess receipts of Rs.2,80,08,226/- against the revised target.

2. The Committee noted difference between the figures of revised estimates and variation in both sets of accounts. Besides, it also noted variation in all figures of heads/objects between the two sets of accounts.

3. The Committee therefore, deferred the accounts with the direction to the Department to reconcile the object wise figures within ten (10) days for reconsideration of the Committee.

-

**HIGHER EDUCATION DEPARTMENT**

**1391026/CO3825.**

The Accountant General reported excess realization of Rs.13740/- against the revised target. Explaining the reason of excess the Department told that due to increase in Library Membership in response to the improvement in Library Services, the requisite target was achieved rather surplus amount was realized.

2. The explanation of the Department being plausible was accepted, hence, excess receipt above the target is commendable.

**PESHAWAR HIGH COURT**

**C02604-General Fees, Fines & Forfeitures.**

The Accountant General reported shortfall of Rs.2,25,03,809/- against the revised target. Explaining the reason of shortfall, the Department told that there was no fixed rate of fines and cases. Accurate estimation could not be intimated as the same depended upon the number of cases and nature of crimes that could not be correctly visualized.

2. The explanation of the Department being plausible was accepted and the shortfall was recommended to be condoned.

**HEALTH DEPARTMENT**

**C02821-Health (Medical Colleges)**

**C02822-Health Dental Colleges.**

**C02824-Health Medical Schools.**

**C02825-Health Sale of outdoor tickets.**

**C02826-Health Recovery of Diet Charges.**

**C02827-Health Rooms Rent.**

**C02828-Health Government Share of Fees**

**Realized by Doctors From Patients.**

**C02829-Health Mental Hospital Receipt.**

**C02830-Health Sale of Medicines and Vaccines.**

**C02835-Health Other Contribution.**

**C02836-Health Recoveries of Overpayments.**

**C02837-Health Collection of Payments for Services Rendered.**

**C02838-Health Fees for Chemical Exam.**

**C02839-Health Fees for Medical Exam:**

**Private Clinics, Laboratories, X-Ray Clinics.**

**C02841-Health Other Receipts.**

**C02844-Incom from endowments.**

The Committee noted difference of figures between the two (2) sets of accounts hence, was deferred for want of correct/reconciled figures and directed the Department and AG to reconcile the figures in presence of Mr. Muhammad Zamin Khan, MPA and Syed Muhammad Ali Shah Bacha, MPA. The reconciled figures be submitted to PAC for consideration by tomorrow.

**Appeals of Dr. Rajwal Khan and Dr. Muhammad Iqbal Afridi.**

**Draft Para No.8.6 Loss of Rs.6.00 (M) Due to theft of Government vehicles**

**(2004-05)**

2. The Committee was informed that a decision was taken by the PAC in its meeting held on 04-05-2009 in the subject matter of Para No 8.6 (2004-05) wherein it was decided that recovery on the depreciation value of vehicles may be made from the concerned doctors namely Mr. Rajwal Khan and Mr. Muhammad Iqbal Afridi using the vehicles.
3. The aggrieved party against the decision of PAC preferred appeals to the Chairman of PAC with the request that the previous decision was made unilaterally without giving them an opportunity of personal hearing.
4. The Chairman was pleased to place the case in question on the agenda of the Committee.
5. Dr. Rajwal Khan, the appellant appeared in person and pointed out that in the last Committee meeting of PAC the facts were not brought to the notice of the Committee and it ultimately arrived at unjust decision. Explaining the case he further told that there was an official engagement in Sheraz Hotel, University Road, Peshawar, arranged by the Health Department in collaboration with the W.H.O. His driver was on emergency duty in DG Office and ultimately he had to drive his official car to participate in the official meeting and being a field Officer, he was authorized to drive his official car.
6. He produced relevant documents to PAC which is placed on record. The Committee was also informed that the Departmental inquiries were conducted from time to time, in which the Officer in question was exonerated.
7. After going through the facts, the Committee accepted the arguments put forth before it and ultimately exonerated Dr. Rajwal Khan, Provincial Program Officer the then Assistant Director EPI.

8. As far as the case of Dr. Muhammad Iqbal Afridi was concerned, the Committee accepting the personal arguments of the appellant, exonerated him with the direction to the Department to ensure and expedite the case for recovery of the vehicle.

**Follow up of Draft Paras No. 8.33,8.35,8.37,8.39 and 8.42 (2004-05).**

9. The Committee was informed that the said Paras were discussed in the PAC meeting held on 07-04-2009 in which the PAC upheld the decisions of DAC and directed the Department to implement the decisions of DAC. For implementation of the directives of PAC, chain of correspondence was made with the Department but with no result.

10. During the meeting of appropriation accounts held on 29-04-2010, the PAC directed the Department to come up with revised working paper pertaining to follow up/progress of the above mentioned Draft Paras.

11. The Department submitted follow up working paper before the Committee wherein it was found that the Department had not made any progress to implement the directive of PAC.

12. The Committee felt this state of affairs with grave concern and told that if the Department was not serious to implement the directives of PAC then the purpose of meetings of PAC had no effect. Therefore, it extended a last opportunity to the Department to implement the directives of the Committee in letter & spirit within ten (10) days failing which recovery would be made from the salaries of the responsible. For this purpose a Committee was constituted comprising the following to conduct inquiry, fix responsibility and submit its report to the PAC with-in ten (10) days for its consideration:-

1. Special Secretary Health.
2. Director General Health.
3. Deputy Secretary, Finance Department.
4. Deputy Director Audit.

**COMMUNICATION & WORKS DEPARTMENT**

-

**C027-Community Services Receipt.**

**C02701-Building Rent.**

**C02703-Recoveries of Expenditure.**

**C02704-Recoveries of Overpayments.**

**C02706-Others.**

**C02711-Building Rent.**

**C02713-Recoveries of Expenditure.**

**C02714-Recoveries of Overpayment.**

**C02716-Others.**

**C02721-Seal Proceeds of Sera and Vaccines.**

**C02723-Income from Endowments.**

**C02724-Recoveries of Payments.**

**C02726-Others.**

The Accountant General reported less realization of Rs.3,76,29,826/- against the revised target of Rs.18,47,38,000/- . Explaining the causes of less realization, the Department told that total Rs.33.169 million was not realized because of non-collection of toll tax on roads and bridges, non-function of ACC, the amount pertained to Audit matter could not be actualized due to litigation and auction of stores/machinery had not been made for the last four years. It further told that the main reason of shortfall in Public Health Engineering sector was less recoveries in collection of water charges from the customers.

2. In view of the above explanation, the Committee recommended the less realization of Rs.3,76,29,826/- to be condoned.

## **ENERGY & POWER DEPARTMENT**

### **B03031-Fees Payable under Electricity Rules**

### **B03032-Fees Payable under Cinematograph Act and Rules**

### **B03033-Electricity-Fees Payable for the grant of Certificates**

### **of Competency to Supervisors and Licenses to Electrical Contractors.**

### **B03035-Misc:receipts and Fees.**

The Accountant General reported less realization of Rs.86.27 million against the revised target of Rs.270.000 million. Explaining the reason of shortfall, the Department told that there was actually no shortfall as electricity duty had been realized but deduction at source was made by WAPDA against arrears of electricity charges of the Provincial Government's Departments. It further explained that WAPDA authorities were violating Article 118 of the Constitution of Islamic Republic of Pakistan as well as Section 13 (2) of the 1964 Finance Act, by deducting the revenue at source.

2. The Department had actually achieved more realization amounting to Rs. 315.768 million against the target amount of Rs.270.000 million which was 70.00 million over and above the revised target.

3. After detailed discussion, the Committee directed the Finance Department to:-

1. Take effect of the amount deducted by the WAPDA at source in future.
2. Study and evolve alternate mechanism for the collection of electricity duty to avoid excess of Federal authorities.
3. Approach the Court of Law for interim relief against at source deduction by WAPDA.
4. The plea of the Department for excess realization was accepted and appreciated.

-

## **TRANSPORT DEPARTMENT**

### **B02812-Other Receipts on Accounts of**

### **Vehicles Route Permit Fee.**

The Accountant General reported less realization of Rs.63,22,313/- against the revised target of Rs.7,00,00,000/- . Explaining the causes of less realization, the Department told that the existing rates of Route Permit Fees had not been revised since 1997. It further explained that the Department had no adequate resources to conduct traffic checking on roads. Moreover, due to traffic congestions, the DRTA Peshawar has restricted grant of Route Permits on Peshawar urban routes.

2. The Department further explained that it had realized 10 % increase from the last year's actual.

3 In view of the above explanation advanced by the Department, the Committee recommended less realization to be condoned.

