

PROVINCIAL ASSEMBLY OF N.W.F.P.

**REPORT OF THE PUBLIC ACCOUNTS COMMITTEE
ON THE
COMMERCIAL ACCOUNTS**

AND

**THE AUDIT REPORT OF THE
GOVERNMENT OF N.W.F.P.**

**FOR THE YEARS
1981-82-1982-83**

AUDIT REPORT OF THE GOVERNMENT OF NWFP FOR THE YEARS 1981-82 AND 1983**NITIFICATION****25th August, 1987.**

No.PA/NWFP/Legis: II /87/10240.____ The following report of the Public Accounts Committee is hereby published for General information under Rule 157 of Rules of Procedure of the Provincial Assembly of North West Frontier Province, 1975.

Sd/-
S.TANZIM-UL-HAQ HALIMI,
Secretary,
Provincial Assembly of NWFP.

REPORT OF THE PUBLIC ACCOUNTS COMMITTEE ON THE
COMMERCIAL ACCOUNTS OF THE GOVERNMENT OF NORTH WEST
FRONTIER PROVINCE FOR THE FERIOD OF 1981-82 AND 1982-83.

INTRODUCTION

The Commercial Accounts of the Government of North-West Frontier Province are of two types:-

- (a) Commercial undertaking; and
- (b) Autonomous/Semi-autonomous bodies.

In the definition of Commercial undertaking is covered the Commercial Accounts maintained by:-

- (a) the Agriculture Engineering Wing of Agriculture Department; and
- (b) the Stationery and Printing Press Wing of the Industries Departmental.

In the definition of Accounts of Autonomous and Semi-autonomous bodies are covered the Accounts of:-

- (a) Forest Development Corporation;
- (b) Sarhad Development Authority;
- (c) Small Industries Development Board; and
- (d) Government Transport.

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GENERAL OBSERVATION.

(I) AGRICULTURE ENGINEERING WING.

The Committee observed that the Agricultural Engineering Wing of the Agriculture Department had not maintained accounts on the standard pattern of Commercial Accounts. The Administrative Department advanced a plea that they were not having trained Accountants in keeping the Commercial Accounts while the Commercial undertaking were of very small size i.e., Agriculture. Engineering Workshops at various District Headquarters for the repairs of Agricultural Equipments. The Committee was of the opinion that training the present Accountants in keeping the Commercial Accounts was not a difficult job. The Accounts Academy was established at Peshawar in the Office of the Accountant General for that purpose and they were willing to extend every possible co-operation to train the Accountants. The Administrative Department should avail the facility. The plea of the Administrative Department is not acceptable. There was a notional objection that interest was not being added to the accounts of Agricultural Engineering Department. Technically the objection was correct, but the Committee is of the opinion that Agriculture is the only source of income of this under developed Province and the Zamindars are having only small holdings and the charge of interest on the Government invested capital is nil from the Government side. If interest is charged, per hour rate of Bulldozers will be increased and the work-load will shift to the poor farmers who are already overburdened. The learned Auditor-General is requested to relax his general order in favour of the small size Agriculture undertaking of North-West Frontier Province. There is another objection against the Department which needs clarification that whether the Department maintains separate functional-cum-objective classification of sub-head for maintenance of Bulldozers and workshops separately and if so the expenditure under one head is obviously to be the income under the other head and as such the workshops accounts will show a profit. Although it will be a notional profit, but transfer entries will have to be shown for the satisfactions of the Audit.

Subject to the observations above, para-wise comments have been appended in the form of daily proceedings of the P.A.C.

(ii) FOREST DEVELOPMENT CORPORATION.

The Committee observed with grave concern that without signing any formal agreement with the Sarhad Development Authority, the Forest Development Corporation has taken over the Resin Factory, Hariipur and is incurring expenditure on the same. As this was a transaction between two government organizations it should not have taken six years for completion and even after the lapse of six years the agreement has still not being signed. The Committee observed that the formal deeds should be completed within three months positively.

2. At the time of taking over Resin Factory, Haripur, the Department did not verify and check the list of fixed assets with the Inventory Register/Stock Register of Sarhad Development Authority PIDC and such could not show any store accounts to the Audit. This is a very serious objection which are now be rectified as for as possible.

3. It was noted with grave concern that the factory management did not care to transfer the amount of interest to workers participation funds, the workers accounts may be kept upto date to the satisfaction of Audit and this Committee.

4. The rest of the paras were settled according to the proceedings of the P.A.C attached with the report.

(III) STATIONERY AND PRINTING PRESS.

There is a long list of defaulters which are Government Departments who have not paid the due amount to the Stationery and Printing Department. The Chief Secretary to Government of North-West Frontier Province is requested to call for the explanation of the defaulting Departments as to why the payments were not made in time and direct them to furnish cogent reasons to the Administrative Departments so that a consolidated report is to be put up before the Committee in the follow up meeting. The Administrative Department should take up the case with the Finance Department for deducting the arrears from the defaulting Departments at source.

2. The rest of the paras have been settled as shown in the daily proceedings of the P.A.C attached to the report.

(IV) SARHAD DEVELOPMENT AUTHORITY.

The Sarhad Development Authority has devised an internal banking system by advancing loans from one project to another on bearing interest at the rate of 9%. The Committee is of the opinion that no such internal banking system is permissible under the Act constituting Sarhad Development Authority. The legal provision may be got examined and the detailed report submitted in the follow up meeting.

2. The Committee took a very serious notice of the fact that there were outstanding dues against very senior responsible officers who were posted from time to time in the Sarhad Development Authority on deputation. The Administrative Department is directed to furnish the list of these officers to the Chief Secretary to Government of North-West Frontier Province who may initiate action against them if within the Province or may take up the matter with the Federal Government if out-side the Province by this time. The Committee is of the opinion that this is a mis-conduct on the part of a civil servant not to pay the dues in time.

3. The Sarhad Development Authority is running a number of cold storages which are running in great loss. The other big projects of the Sarhad Development Authority i.e., Tannery and Sugar Mills are also liabilities. In fact, most of the projects of the Sarhad Development Authority are more of liabilities than assets. The original scheme was that the Sarhad Development Authority was to establish industries in the public sector and were to be dis-invested the same to the desiring bidders in private sector. The Committee is of the opinion that the Government may frame a firm policy of dis-investment and should take immediate step regarding the dis-investment of the projects running in big loss to save the Sarhad Development Authority from recurring liabilities.

4. The rest of the paras have been settled in detail in the daily proceedings of the P.A.C which are attached.

(V) SMALL INDUSTRIES DEVELOPMENT BOARD.

The Committee is of the opinion that small Industries Development Board has done appreciable job in the Province in the field of training for which the Board was originally established. All the small industries units established with the help of Small Industries Development Board are flourish. The Committee is further of the opinion that as Small Industries Development Board is originally designed to impart training in the field of Small Industries it may not be treated as a commercial undertaking and Administrative Department in consultation with the Finance Department may _1_ the possibility if Small Industries Development Board can be removed from the list of commercial undertaking under item (iii) of Article 11 of the Pakistan Audit and Accounts order, 1973. From the aforesaid provision it transpires that the Governor of the Province has the powers to order that a particular undertaking in the Province may not be treated as commercial undertaking. This suggestion is advanced on account of the reasons that the Small Industries Development Board cannot work on the basis of the cost benefit ratio, because the training imparted to the trainees and rehabilitation of the trainees can not be evaluated in the term of cash receipt and, therefore, the balance sheet will have to show loss interest of income, while the Department is generating income by increasing per capita income of the Province due to the training imparted to trainees in various trades. This is an important policy matter and needs the attention of the Provincial Government.

2. The rest of the paras were settled in the daily proceeding of the P.A.C attached with the report.

(VI) GOVERNMENT TRANSPORT.

The Government Transport Service is running in loss, the reasons are obvious. At the time of establishment of Government Transport Service, all the private transports were banned and the service was having monopoly. By now, the service is to face competition with the private transport services particularly on Class-I roads. Moreover, the Government Transport Services has an obligation to have an urban Omni Bus Service which runs in loss on account of Ticket concession to colleges and schools boys and girls. As compared to the other urban transport services of the sister Provinces i.e., Punjab particularly Lahore and Faisalabad the losses are less as sustained by the aforesaid urban services. It was also explained that the Government Transport Service was extended on un-attractive routes on the request of MPA's where the service were not commercially beneficial, but all the difficulties can be overcome by efficient administration and sound planning. There appears to be laxity on the part of the Government Transport Service administration. The Administrative Department is directed to find out ways and means to increase per kilometer income and decrease per Kilometer expenditure.

2. The rest of the paras have been settled in the daily proceeding of the P.A.C attached with the report.

Sd/-

RAJA AMUNULLAH KHAN,
Secretary
Provincial Assembly of NWFP/
Chairman
Public Accounts Committee

**PROCEEDINGS OF THE MEETING OF THE PUBLIC ACCOUNTS COMMITTEE HELD
AT FRONTIER HOUSE, ABBOTABAD ON 20TH JULY, 1987 AT 9:00 A.M.**

I. The following were present:-

1.	Raja Amanullah Khan, Speaker.	Chairman
2.	Mr. Ahmad Hassan Khan, Deputy Speaker.	Deputy Chairman
3.	Syed Inayat Ali Shah, MPA.	Member
4.	Mr. Nazir Ahmad Shinwari, MPA.	Member
5.	Mr. Bakht Jehan Khan, MPA.	Member
6.	Sardar Haji Sanaullah Khan, MPA	Member
7.	Mr. Muhammad Ayub Khan Tanoli, MPA.	Member
8.	Major (Rtd) Mukhtar Ahmad Khan, MPA.	Member
9.	Mr. M.N. Alam, Director Commercial Audit, Wah Cantt.	Expert Adviser
10.	Mr. Faqir Muhammad Khan, Secretary to Government of NWFP, Agriculture Department.	By Invitation
11.	Mr. Zia-ur-Rahman, Deputy Secretary Finance Department.	By Invitation

II. Syed Tanzim-ul-Haq Halimi, Secretary, Provincial Assembly of NWFP, acted as Secretary to the Committee.

III. The Committee took up for consideration the Commercial accounts for the year, 1981-82 in respect of Agriculture Department (Agricultural Engineering, Forest Development Corporation).

COMMERCIAL ACCOUNTS FOR THE YEAR, 1981-82.

AGRICULTURE DEPARTMENT (F.D.C.)

Para 90 Page 93. __

The Committee observed with grave concern that the formal agreement between the Sarhad Development Authority and the Forest Development Corporation has taken very long time which should have been finalized much earlier. Without the formal deed, the whole expenditure on the factory does not seem to be regular. The parties concerned should have a very serious note of the whole affairs. As this is a transaction in between the authorities of the same Government there appears to be no cause of any delay. It has taken six long years.

The Committee observed that the transaction should be finalized within three months period.

Para 91 Page 93__

In view of the no comments of the Commercial Audit, the para is recommended to be dropped.

Para 92 Page 93__

In view of the plausible explanation of the department that the low sale was due to increase in the price of resin, furnace oil and electricity charges, the para is recommended to be dropped.

Para 93 Page 93.__

Para Stands. The Department is directed to verify and check the list of the fixed assets with the inventory register/stock register of Sarhad Development Authority and report compliance in the next follow up meeting of the Public Accounts Committee.

Para 94 Page 93.__

In view of the satisfaction of the Audit the para is recommended to be dropped.

Para 95 Page 93.__

In view of the fact that the notification of trustees has since been issued, the para is recommended to be dropped.

Para 96 Page 93.__

In view of the fact that the accounts were approved by the Board of Directors, the para is recommended to be dropped.

Para 76 Page 73.__

Remarks per Para No- 93 above

Para 77 Page 73.__

In view of the plausible explanation of the department that due to non-availability of resin to the desired capacity there was low production in the factory, the para is recommended to be dropped.

Para 78 Page 74. __**Forest Development Corporation.**

The progress of the case and the minutes of the Board of Directors may be furnished in the next follow up meeting of Public Accounts Committee.

Para 79 Page 74. __

Para Stands. The Audit may verify the transfer of amount of interest to the workers participation fund/G.P Fund. Compliance should be reported in the next follow up meeting of the Public Accounts Committee.

Para 80 Page 74. _

Since the rules have been notified, the Para is recommended to be dropped.

Para 81 Page 74. __

The Administrative Department is directed to complete all the registers and get the same verified by the Audit and compliance reported in the next follow up meeting.

Para 82 Page 74. __

As exemption has been obtained from the Central Board of Revenue, the para is recommended to be dropped.

Para 83 Page 74. __

In view of the fact that advance was sanctioned for Provincially Administrated Tribal Area of Malakand Division on account of supply on Timber to Dir Forest Complex, the para is recommended to be dropped.

Para 84 Page 74. __

As the accounts have been approved by the Board of Directors, the para is recommended to be dropped.

Para No.5 Page 9 Forest Development Corporation. __

In view of the plausible explanation of the Department and write off Order of the Managing Director of the Forest Development Corporation advancing cogent reason for the write off, the para is recommended to the dropped with the observation that such lapse should not occur in future.

Para 7 Page 10 (1981-82)

Para Stands. The administrative Department should furnish case-wise details in the next follow up meeting of Public Accounts Committee.

Para 8 Page 10 and 11.__

The Administrative Department is directed to ensure that machinery is properly utilized in future. Subject to the observation the para is recommended to be dropped.

Para 11 Page 17.__

Para being informatory is settled and is recommended to be dropped.

Para 5 Surplus Spares Rs.510, 198/-

The Para pertains to FATA; therefore, it may be transferred to the Federal PAC. All paras pertaining t FATA may be discussed in the Federal Public Accounts Committee.

Para 12 Page 17.__

The Department is directed to furnish a detailed report showing the working hours of each bulldozer with model and the capacity of the bulldozers for performance hours and the pending application of the farmers for utilization of the bulldozers. The Department may justify the decline in the income from the bulldozers and give full justification for the decline year-wise.

Para 13 Page 18.__

In view of the plausible explanation of the Department that it was inter departmental transaction and the same have since been verified from the officers of the same department, the para is recommended to be dropped.

Para 14 Page 18.__

The Administrative Department is directed to have a meeting with the Secretary Irrigation at the Secretary level and settle the outstanding dispute and compliance should be reported in the next meeting of the Public Accounts Committee.

Para 15 Page 18.__

Para stands till the special audit report of the Commercial Audit.

Para 16 Page 18. __

The Clerical omission was corrected and the para is settled hence recommended to be dropped.

Para 18 Page 18. __

The Administrative Department is directed to train the existing staff at the Commercial Institute established at Peshawar in the Office of Accountant General, NWFP, and also take up the case with the Finance Department either to create posts in higher scale for the skilled Accountants to be appointed or devise a mechanism for keeping double ledger accounts which is essential for commercial undertaking.

Para 17 Page 18. __

Para stands for verification by the Commercial Audit.

Para 19 Page 18. __

In view of the satisfaction of the Audit, the para is recommended to be dropped.

Para 27 Page 28. __

In view of the plausible explanation of the Department and settlement by the Commercial Audit, the para is recommended to be dropped.

IV. The Committee then adjourned to meet again on 21st July, 1987 at 9:00 AM at Frontier House, Abbottabad.

Dated Abbottabad
The 20th July, 1987

Sd/-
RAJA AMANULLAH KHAN,
Speaker/Chairman,
Public Accounts Committee.

**PROCEEDINGS OF THE MEETING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD AT FRONTIER HOUSE, ABBOTTABAD ON 21ST JULY, 1987 AT 9:00 A.M.**

I. The following were present:-

1.	Mr. Ahmad Hassan Khan, Deputy Speaker.	Deputy Chairman
2.	Syed Inayat Ali Shah, MPA.	Member
3.	Mr. Nazir Ahmad Shinwari, MPA.	Member
4.	Mr. Muhammad Yousaf Khan Tanoli,	Member
5.	Mr. Bakht Jehan Khan, MPA.	Member
6.	Sardar Haider Zaman Khan, MPA.	Member
7.	Major (Rtd) Mukhtar Ahmad Khan, MPA	Member
8.	Mr. M.N Alam, Director Commercial Audit, Wah Cantt.	Expert Advisor
9.	Mr. Faqir Muhammad Khan, Secretary to Government of NWFP, Agriculture Department.	By Invitation
10.	Mr. Zia-ur-Rahman Khan, Deputy Secretary, Finance Department.	By Invitation

II. Syed Tanzim-ul-Haq Halimi, Secretary, Provincial Assembly of NWFP acted as Secretary to the Committee.

III. The Committee took up for consideration the Commercial Accounts for the year 1981-82 and 1982-83 in respect of Agriculture Department (Agricultural Engineering).

COMMERCIAL ACCOUNTS FOR THE YEAR, 1981-82.

AGRICULTURE DEPARTMENT (AGRICULTURAL ENGINEERING).

Para 28 Page 28.__

Para 29 Page 28.__

Para Stands. Progress should be reported in the next follow up meeting of Public Accounts Committee.

Para 30 Page 28.__

Efforts should be made to maintain accounts on double ledger system. System to the observation, Para is recommended to be dropped.

Para 49 Page 52.__

In view of the plausible explanation of the department and satisfaction of the audit the para is recommended to be dropped.

Para 50 Page 52.__

There is n National audit objection that interest has not been added to the accounts of Agricultural Engineering Department. The order of the Auditor-General is correct, but the Committee is of the opinion that Agriculture is the only source of income of this under developed province and the Zamindars are having only small holding and the charge of interest on the

Government invested capital which is interest free will increase the charges of per hour of the bulldozers and the work load will be shifted to the farmers who are already over burden and poor enough to pay. The learned Auditor-General is requested to relaxe his order in favour of eh Agriculture Commercial undertaking of Agricultural Engineering of NWFP.

Para 51 Page 53. __

Para Stands. Compliance be reported in the next follow up meeting.

Para 52 Page 53. __

Para 53 Page 53. __

As the outstanding amount was recovered, the paras are recommended to be dropped.

Para 54 Page 53. __

Effort should be made to maintain the accounts on double ledger accounts system. Subject to the observation, the para is recommended to be dropped.

Para 55 Page 53. __

Para 56 Page 53. __

In view of the plausible explanation of the department and satisfaction of the audit, the paras are recommended to be dropped.

Para 67 Page 64. __

Para 68 Page 64. __

As per para 50 above

As 69 Page 64. __

The Administrative Department is directed to furnish the break up to the Commercial Audit as desired and compliance reported in the next follow up meeting.

Para 70 Page 64. __

The Administrative Secretary of the Department may take up the matter at the Secretary level with the Board of Revenue and also concurrently with the Finance Department explaining the position of the flood in Garhi Habibullah, the emergency in respect of utilization the bulldozers and non-availability of the flood relief funds with the Deputy Commissioner, Mansehra, so that the outstanding waived off.

Para 71 Page 64. __

The Physical verification was not conducted according to the provision of G.F.R. physical verification may be carried out in future according to the provision G.F.R. and the stores may be

physically verified to the satisfaction of audit and compliance reported in the next follow up meeting.

Para 10 Page 17 (1982-83).__

The para is only informative and hence recommended to be dropped.

Para 11 Page 17.__

As per remarks against para 50 above.

Para 12 Page 17.__

Subject to the verification by Commercial audit, the para is recommended to be dropped.

Para 13 Page 17.__

Para Stands. Progress may be reported in the next follow up meeting.

Para 14 Page 17.__

Subject to verification by audit, the para is recommended to be dropped.

Para 22 Page 27.__

Para 23 Page 27.__

The paras are informative and hence recommended to be dropped.

Para 24 Page 27.__

Subject to verification by the audit, the para is recommended to be dropped.

Para 25 Page 27.__

Para Stands. The Audit may verify the recovery and break up.

Para 49 Page 50.__

Being informative recommended to be dropped.

Para 50 Page 50.__

The same remarks as against para 50 page 52 (1981-82)

Para 51 Page 51.__

Para Stands. Progress may be reported in the next follow up meeting of the Public Accounts Committee.

Para 52 Page 51.__

Subject to verification by Commercial Audit, the para is recommended to be dropped.

Para 53 Page 51. __

Due to plausible explanation of the Department and satisfaction of the audit the para is recommended to be dropped.

Para 64 Page 64. __

The Administrative Department may explain whether the department is maintaining separate functional-Cum-objective classification sub-heads for maintaining of bulldozers and workshop separately and whether transfer entries are being made from one sub-head to another as expenditure and credit. If the same procedure is invogue the Commercial Audit may be apprised of the same and compliance reported in the next follow up meeting.

Para 65 Page 64. __

Para Stands. Break up of the workshop income may be submitted to the Commercial Audit for verification and compliance reported in the next follow up meeting.

Para 66 Page 64. __

In view of the plausible explanation of the department and satisfaction of the Audit, the para is recommended to be dropped.

Para 67 Page 65. __

Para Stands. A detailed report regarding the working of the Institute may be furnished in the next follow up meeting of Public Accounts Committee.

Para 68 Page 65. __

Subject to verification by Commercial Audit, the para is recommended to be dropped.

Para 69 Page 65. __

Due to plausible explanation of the Department and satisfaction of the Commercial Audit, the para is recommended to be dropped.

IV. The Committee then adjourned to meet again on 22nd July, 1987 at 9:00 A.M.

Dated Abbottabad,
the 21st July, 1987.

Sd/-
AHMAD HASSAN KHAN,
Deputy Speaker,
Provincial Assembly of NWFP
Deputy Chairman,
Public Accounts Committee.

**PROCEEDINGS OF THE MEETING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD AT FRONTIER HOUSE, ABBOTTABAD ON 22nd JULY, 1987 AT 9:00 A.M.**

I. The following were present:-

1.	Mr. Ahmad Hassan Khan, Deputy Speaker.	Deputy Chairman
2.	Syed Inayat Ali Shah, MPA	Member
3.	Mr. Bakht Jehan Khan, MPA	Member
4.	Mr. Muhammad Yousaf Khan Tanoli, MPA	Member
5.	Mr. Nazir Ahmad Shinwari, MPA	Member
6.	Major (Rtd) Mukhtar Ahmad Khan, MPA	Member
7.	Sardar Haider Zaman Khan, MPA	Member
8.	Malik Salah-ud-Din Khan, MPA	Member
9.	Mr. Mukhtar Ahmad Khan, Economic Advisor, Industries Department, NWFP	By Invitation
10.	Mr. M.N. Alam, Director, Commercial Accounts, Wah Cantt.	Expert Advisor
11.	Mr. Zia-ur-Rehman, Deputy Secretary, Finance Department.	By Invitation

II. Syed Tanizm-ul-Haq Hallimi, Secretary, Provincial Assembly of NWFP acted as Secretary to the Committee.

III. The Committee took up for consideration the Commercial accounts for the year, 1981-82 in respect of Industries Department, (Small Industries Development Board, Sarhad Development Authority, Government Printing and Stationary and Government Transport Service), Government of NWFP.

COMMERCIAL ACCOUNTS FOR THE YEAR, 1981-82.

INDUSTRIES DEPARTMENT.

STATIONERY AND PRINTING PRESS.

Para 104 a. __

Being informatory, the para is recommended to be dropped.

Para 104 b. __

In view of the plausible explanation of the department, the Committee was of the opinion that the over time to the workers may be minimized and new hourly rates be fixed to economics the direct expenditure. Subject to the observation the para is recommended to be dropped.

Para 105. __

The Administrative Department is directed to furnish the lists of the defaulters in the follow up meeting and also inform the defaulting departments to explain the reasons for non-payment of the dues in time to the satisfaction of the Public Accounts Committee. Mean while the

Administrative Secretary may take up the case with the Finance Department for deducting the arrears from the Defaulting departments at source. Subject to the observation the para stands.

Para 106. __

Due to the plausible explanation of the department that the machinery was imported in full and installed and a certificate was furnished to that effect to the Audit, the para is recommended to be dropped.

Para 107. __

Subject to verification by the Commercial Audit, the para is recommended to be dropped.

Para 113 Page 119 Sarhad Development Authority.

Para Stands. The Administrative Department is directed to satisfy the Public Accounts Committee by quoting legal provision that Sarhad Development Authority is competent to give any money from one Project to another Project on loan bearing interest and internal banking system is allowed at the interest rate of 9% Compliance may be reported in the next follow up meeting of the Public Accounts Committee.

Para 114 Page 119. __

Remarks per preceding para i.e. para 113.

Para 115 Page 119. __

The Committee took a serious notice of the fact that the outstanding dues are against very responsible officers who are in the category of ex-employees of Sarhad Development Authority. The Administrative Department is directed to furnish a list of the defaulters with name and amount noted against each, and the efforts made by the department in this direction.

Efforts for the recovery be intensified. Para Stands. Compliance be reported in the next follow up meeting of the Public Accounts Committee.

Para 116 Page 119. __

Para Stands. Decision of the Provincial Government in this respect may be communicated in the next meeting.

Para 117,118 Page 119.__

In view of the plausible explanation of the department and satisfaction of the Audit, the paras are recommended to be dropped.

Para 124 Page 141.__

In view of the plausible explanation of the department, the para is recommended to be dropped.

Para 125 and 126 Page 141.__

In view of the plausible explanation of the department and satisfaction of the audit, the paras are recommended to be dropped.

Para 127 Page 141.__

Subject to physical verification by audit, the para is recommended to be dropped.

Para 132 and 133 Page 153.__

The Administrative Department is advised to take up the matter with UNICEF for reimbursement of the promised aid in the quiter project. Subject to the observation the paras are recommended to be dropped.

Para 134 Page 153.__

The Administrative Department is directed that copy of the verification of the Chartered Accountant may be furnished to the Commercial Audit. Subject to verification by Audit, the para is recommended to be dropped.

Para 138 Page 166.__

Para Stands. The decision of the Provincial Government regarding dis-investment of the Project and write off the loss may be communicated in the next follow up meeting of the Public Accounts Committee.

Para 139,140 Page 166.__

Para Stands. Progress may be communicated in the next follow up meeting.

Para 141 and 142 Page 166.__

Subject to verification, the paras may be dropped.

Para 143 Page 166.__

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

Para 144 Page 167.__

Para Stands till the decision of the Central Board of Revenue.

Para 145 Page 167.__

In view of the satisfaction of the Commercial Audit, the para is recommended to be dropped.

Para 146 Page 167.__

Since the accounts have been approved by the Board, the para is recommended to be dropped.

Para 150 Page 184.__

In view of the plausible explanation of the department that the estate is on border of the tribal area, the para is recommended to be dropped.

Para 151,152 and 153 Page 184.__

In view of the plausible explanation of the department and satisfaction of the Audit, the paras are recommended to be dropped.

Para 157 Page 191.__

In view of the plausible explanation of the department, the para is recommended to be dropped.

Para 158 Page 191.__

In view of the satisfaction of the Audit, the para is recommended to be dropped.

Para 159 Page 191.__

Subject to physical verification, the para is recommended to be dropped.

Para 160 Page 191.__

In view of the satisfaction of the Commercial Audit the para is recommended to be dropped.

Para 165 Page 202.__

In view of the plausible explanation of the department, the para is recommended to be dropped.

Para 166,167 and 168 Page 202.__

Subject to physical verification by the Audit, the paras are recommended to be dropped.

Para 169 and 175 Page 202 and 213.__

In view of the plausible explanation of the department and satisfaction of the Commercial as well as the Committee, the paras are recommended to be dropped.

Para 176 Page 213 and Para 177 Page 213.___

Paras stand. Detailed report may be furnished in the next follow up meeting regarding the dis-investment.

Paras 178,179 Page 213, Paras 180, 181,182,183 and 184 Page 214.___

Subject to verification by the Commercial Audit the paras are recommended to be dropped.

Para 185 Page 214.___

In view of the plausible explanation of the department and satisfaction of the Audit, the para is recommended to be dropped.

Para 190 Page 223.___

The Administrative Department is directed to furnished report regarding the dis-investment of the project in the next meeting.

Para 191,192,193.___

Subject to verification by the Audit, the paras are recommended to be dropped.

Para 194 and 195.___

In view of the satisfaction of the Audit, the paras are recommended to be dropped.

Para 203 Page 236.___

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

Para 204 Page 235.___

Efforts may be made to dis-investment the project which is running in loss. Subject to the observation the para stands.

Para 205,206,207 and 208.___

Subject to verification by audit, the paras are recommended to be dropped.

Para 209 and 210.

In view of the satisfaction of the Audit the paras are recommended to be dropped.

Para 218 Page 247.___

Para Stands. Dis-investment report may be submitted in the next follow up meeting of Public Accounts Committee.

Para 219 Page 247.___

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

Para 220, 221 Page 247.___

Paras Stands. Dis-investment report may be furnished in the next follow up meeting.

Para 222 Page 247.__

In view of the plausible explanation of the department that the machinery was out of the Bulgarian loan and was received in consignments and therefore the machinery could not be installed in time. The para is recommended to be dropped.

Para 223 Page 247.__

As per remarks against para 113 Page 119.

Para 224 Page 247.__

In view of the plausible explanation of the department and satisfaction of the audit, the para is recommended to be dropped.

Para 231 and 232 Page 267.__

The Department should intensify efforts to boost up the production. Subject to the observation the paras are recommended to be dropped.

Para 233,234 Page 267.__

Subject to verification by audit, the paras are recommended to be dropped.

Para 235 Page 267.__

In view of the satisfaction of the audit, the para is recommended to be dropped.

Para 236 and 237 Page 268.__

Subject to verification by the Audit, the paras are recommended to be dropped.

Para 242, 243, 244, 245, and 246.__

In view of the satisfaction of the audit, the paras are recommended to be dropped.

Para 256 Page 315 Government Transport Service Department.

Efforts should be made to improve the income. Subject to the observation the para is recommended to be dropped.

Para 257 Page 315.__

In view of the satisfaction of the audit, the para is recommended to be dropped.

Para 258 Page 315.__**Para 259 Page 315.__**

Subject to verification by the Commercial Audit, the paras are recommended to be dropped.

Para 260 Page 316. __

The Administrative Department is directed to keep the accounts according to the formal proposed by the Auditor-General. Subject to the observation the para is recommended to be dropped.

Para 265. Small Industries Development Board.

In view of he plausible explanation of the department and satisfaction of the audit, the para is recommended to be dropped.

Para 266,267,268,269 and 270. __

Subject to verification by the Commercial audit, the paras are recommended to be dropped.

Para 271. __

In view of the satisfaction of the audit, the para is recommended to be dropped.

IV. The Committee then adjourned to meet again on 23rd July, 1987 at 9:00 A.M.

Dated Abbottabad,
the 21st July, 1987.

Sd/-
AHMAD HASSAN KHAN,
Deputy Speaker,
Provincial Assembly of NWFP
Deputy Chairman,
Public Accounts Committee.

**PROCEEDINGS OF THE MEETING OF THE PUBLIC ACCOUNTS COMMITTEE
HELD AT FRONTIER HOUSE, ABBOTTABAD ON 23rd JULY, 1987 AT 9:00 A.M.**

I. The following were present:-

	1. Raja Amanullah Khan, Speaker	Chairman
	2. Mr. Ahmad Hassan Khan, Deputy Speaker.	Deputy
Chairman	3. Syed Inayat Ali Shah, MPA	Member
	4. Mr. Muhammad Yousaf Khan Tanoli, MPA	Member
	5. Mr. Muhammad Ayub Khan Tanoli, MPA	Member
	6. Mr. Bakht Jehan Khan, MPA	Member
	7. Sardar Sanaullah Khan, MPA	Member
	8. Major (Rtd) Mukhtar Ahmad Khan, MPA	Member
	9. Mr. M.N. Alam, Director, Commercial Accounts, Wah Cantt.	Expert Advisor
	10. Mr. Mukhtar Ahmad Khan, Economic Advisor, Industries Department, NWFP	By Invitation
	11. Mr. Zia-ur-Rehman, Deputy Secretary, Finance Department.	By Invitation

II. Syed Tanizm-ul-Haq Hallimi, Secretary, Provincial Assembly of NWFP acted as Secretary to the Committee.

III. The Committee took up for consideration the Commercial accounts for the year, 1982-83 in respect of Industries Department i.e.(Government Stationery and Printing Press, Sarhad Development Authority and Government Transport Service).

INDUSTRIES DEPARTMENT.

**GOVERNMENT STATIONERY AND PRINTING PRESS COMMERCIAL ACCOUNTS
(1982-83)**

Para 75.__

Same remarks as against para 104 (b) for the year, 1981-82.

Para 76.__

Same observation as per para 107 for the year, 1981-82.

Para 77.__

Subject to verification by Audit the para is recommended to be dropped.

Para 78.__

As per remarks against para 105 (1981-82).

Para 79.__

As per remarks against para 105 (1981-82).

Para 80. __

Subject to verification by Commercial Audit the para is recommended to be dropped.

SARHAD DEVELOPMENT AUTHORITY.**Para 6 Page 10. __**

The Administrative Department should have disposed off the surplus weigh bridges during the last 10 years, as the presumption that the same may be required for some other projects which was not even planned is not a tenable plea.

The Department explained that the project is shortly to be dis-invested alongwith spare machinery in view of this explanation of the department, the para is recommended to be dropped.

Para 7 Page 10. __

As the claim was settled by the Ministry of Economic Affairs, the para is recommended to be dropped with the observation that in future the Administrative Department should invariably mention the amount of settlement with foreign agency and loss accrued to the Provincial Government if any.

Para 8 Page 11. __

The Administrative Department is directed to obtain ex-post-facto sanction to regularize the expenditure of demurages from the competent authority. Subject to the observation, the para is recommended to be dropped.

Para 86 Page 85. __

Para Stands. The Administrative Department is directed to satisfy the Public Accounts Committee by quoting legal provision that Sarhad Development Authority is competent to give any money from one Project to another on loan bearing interest commensurate to the interest of the bank or at low rates i.e. 9% Compliance may be reported in the next follow up meeting.

Para 87 Page 85. __

In view of the plausible explanation and satisfaction of the commercial audit, the para is recommended to be dropped.

Para 88 Page 85. __

The Administrative Department explained that it was the initial capital cost of a project and loan was to be obtained by the Project as a capital and it was technically not an over draft. The explanation of the department was accepted with the observation that such a precedent is not to be repeated in future and when internally funds are available the same may be advanced to the project to save interest of the bank. Subject to the observation, the para is recommended to be dropped.

Para 96 Page 105. __

In view of the plausible explanation of the department that the amount was spent on the exploration of minerals in the Province, the para is recommended to be dropped.

Para 97 Page 105. __

Subject to verification by audit the para is recommended to be dropped.

Para 98 Page 105. __

In view of the satisfaction of the commercial audit, the para is recommended to be dropped.

Para 99 Page 105. __

In view of the satisfactory reply furnished by the department, the para is recommended to be dropped.

Para 100, 101 and 102 Page 105. __

Subject to verification by commercial audit, the paras are recommended to be dropped.

Para 103 and 104 Page 105. __

In view of the satisfaction of the audit, the paras are recommended to be dropped.

Para 109 Page 117. __

This is a useful project for the welfare of the area where there is guiter. The question of marketing of the lodized salt in other areas does not arise. The reply furnished by the department was satisfactory and therefore, the para is recommended to be dropped.

Para 110 Page 117. __

The Administrative Department should make all efforts to improve the working the project so as to make it at least self sustaining. Subject to the observation the para may be dropped.

Para 111 Page 117. __

Subject to verification by audit office the para is recommended to be dropped.

Para 112 Page 117. __

In view of the plausible explanation of the department and satisfaction of the commercial audit, the para is recommended to be dropped.

Para 113 Page 117. __

The Administrative Department is directed to strictly comply with the instruction of the audit in future. There should be cent percent physical verification of the stock and stores according to G.F.R. Subject to the observation, the para is recommended to be dropped.

Para 114 Page 117. __

Subject to verification by commercial audit, the para is recommended to be dropped.

Para 115 Page 117. __

Since the accounts have been approved by the Board the para is recommended to be dropped.

Para 119 Page 129. __

Subject to verification by commercial audit, the para is recommended to be dropped.

Para 120 Page 129. __

In view of the explanation of the department that the vehicles used to be transferred to the project at book value and later on auctioned in lump-sum and amount was to be retained at the H.O for the service charges, though appears to be against the normal accounts procedure, but in view of the fact that the main office of Capital Development Authority has no other source of Income, the Committee is of the opinion that the para may be dropped.

Paras 121,122,123 and 124 Page 129. __

Subject to verification by commercial audit, the paras are recommended to be dropped.

Para 125 Page 129. __

In view of the satisfaction of the audit, the para is recommended to be dropped.

Para 130 Page 147. __

The Administrative Department explained that as the Industrial Estate is situated on the boarder, the progress of purchase of plots in the area is slow. The explanation is plausible and the para is recommended to be dropped.

Para 131 Page 147. __

Para Stands. Efforts for recovery may be intensified in the next follow up meeting.

Para 132,133 Page 147. __

Subject to verification by audit, the paras are recommended to be dropped.

Para 134 Page 147. __

In view of the satisfaction of the commercial audit, the para is recommended to be dropped.

Para 135, 136 and 137 Page 147. __

Subject to verification by audit office, the paras are recommended to be dropped.

Para 141 Page 155. __

The explanation furnished by the department is plausible and therefore, the para is recommended to be dropped.

Para 142 Page 155. __

Subject to verification by Commercial audit, the para is recommended to be dropped.

Para 143,144 Page 155. __

In view of the satisfaction of the commercial audit, the paras are recommended to be dropped.

Para 145 Page 155. __

Since the accounts have been approved by the Board, the para is recommended to be dropped.

Para 146 Page 155. __

The Administrative Department should comply the audit instructions strictly and furnish the replies to the initial audit report in time as stipulated by the audit. Subject to the observation, the para is recommended to be dropped.

Para 150 Page 161. __

In view of the plausible explanation of the department the para is recommended to be dropped.

Para 151 Page 161. __

In view of the satisfaction of commercial audit, the para is recommended to be dropped.

Para 152 Page 161. __

Subject to verification by commercial audit, the para is recommended to be dropped.

Para 153, 154 Page 161. __

The Administrative Department is directed to comply with the instruction of the audit in letter and spirit.

Para 155 Page 161. __

In view of the satisfaction of the commercial audit, the para is recommended to be dropped.

Para 160 Page 168. __

The Department is directed to arrange for the dis-investment of the project as early as possible.

Para 161 Page 168. __

The Administrative Department is directed to settle the land dispute with the Communication and Works Department as early as possible.

Paras 162, 163 Page 168. __

Subject to verification by audit, the paras are recommended to be dropped.

Para 164 Page 168. __

Para Stands. The names and designations of the defaulters may be furnished in the next follow up meeting.

Para 165 Page 168. __

In view of the satisfaction of the commercial audit, the para is recommended to be dropped.

Para 170 Page 180.__

The Department is directed to dis-invest the project as early as possible.

Para 171 Page 180.__

Para Stands. Progress may be reported in the next follow up meeting of the Public Accounts Committee.

Para 172 Page 180.__

Subject to verification by Commercial Audit, the para is recommended to be dropped.

Para 173 Page 181.__

In view of the satisfaction of the audit, the para recommended to be dropped.

Paras 174, 175 and 176 Page 181.__

Subject to verification by commercial audit, the paras are recommended to be dropped.

Para 177 Page 181.__

In view of the satisfaction of the commercial audit, the para may be dropped.

Paras 182, 183 Page 196.__

The Administrative Department should economise direct expenditure and to intensify efforts to boost up production. Subject to the observation, the paras are recommended to be dropped.

Para 184 Page 196.__

In view of the explanation furnished by the department and satisfaction of the audit, the para is recommended to be dropped.

Para 185 Page 196.__

Subject to verification by commercial audit, the para is recommended to be dropped.

Para 205 Page 235.__

Para Stands. Accounts may be produced to the commercial audit and compliance reported in the next follows up meeting.

Para 206 Page 235.__

In view of the plausible explanation of the department and subject to verification by audit, the para is recommended to be dropped.

Para 207 Page 136.__

In view of the explanation of the department and production of the documents on the spot the para is recommended to be dropped.

Para 208 Page 136. __

In view of the satisfaction of the audit, the para is recommended to be dropped.

Para 209 Page 136. __

Since the accounts have been approved by the board, the para is recommended to be dropped.

GOVERNMENT TRANSPORT SERVICE.**Para 195 Page 218. __**

Same remarks as against para 256 (1981-82).

Para 196 Page 218. __

The Administrative Department is directed to find out ways and means to increase per Kilometer income, and per Kilometer expenditure may be reduced. Subject to the observation, the para recommended to be dropped.

Para 197 Page 218. __

Para Stands. The Administrative Department is directed to furnish a copy of the decision of the High Court so that responsibility in respect of the defaulters may be fixed, and correct legal position assessed.

Para 198 Page 218. __

Same remarks as against para of (1981-82).

IV. The meeting then adjourned till further date to be announced.

Dated Abbottabad,
the 23rd July, 1987.

Sd/-
RAJA AMANULLAH KHAN,
Speaker,
Provincial Assembly of NWFP
Chairman,
Public Accounts Committee.