

REPORT

OF THE PUBLIC ACCOUNTS COMMITTEE ON THE ACCOUNTS OF GOVERNMENT OF N.W.F.P. FOR THE YEAR 1994-95.

I. INTRODUCTION.

1.1. After the inception of the Assembly on 19th February 1997, the Public Accounts Committee was constituted on 8th May, 1997 comprising the following Members:-

1.	Mr. Hidayatullah Khan Chamkani.	Chairman.
2.	Minister for Finance.	ExOfficio Member.
3.	Syed Muhammad Sabir Shah	Member.
4.	Mr. Ali Afzal Khan Jadoon	Member.
5.	Mian Gul Asfandyar Amir Zeb.	Member.
6.	Haji Muhammad Adeel.	Member.
7.	Mr. Muhammad Bashir (Umerzai)	Member.
8.	Mian Iftikhar Hussain.	Member.
9.	Mr. Najmuddin.	Member.
10.	Nawabzada Mohsin Ali Khan	Member.
11.	Mr. Pir Muhammad Khan.	Member.

1.2 The following reports of the Auditor General of Pakistan were pending with the erstwhile PAC.

1985-86.	Partially discussed.
	Not yet discussed.
	Not yet discussed.
	Not yet discussed.
1989-90	Partially discussed.
	Preliminary report adopted.
1990-91	Not yet discussed.
1991-92	Partially discussed.
1992-93	Not yet discussed.
1993-94	Not yet discussed.

1.3 On 28th April, 1997, the Auditor General report on the Accounts of the Government of N.W.F.P. pertaining to the financial year 1994-95 was laid in the Assembly and referred to the PAC.

1.4 It was preferred to take up the fresh Audit Report i.e. 1994-95 for deliberations to be followed by pending reports on the subject at a later stage. So, a series of meeting of the Committee was held from 22nd July to 23rd August, 1997 at Frontier House, Abbott bad, the longest session in the history of PAC, in which the Report in question was scrutinized and discussed thread bare.

II. FACTS AND FINDINGS.

2.1 The Committee held that examination of government accounts constitutes a highly significant component of parliamentary control of governmental spending; therefore, institutional continuity of this process of accountability should remain independent of electoral changes and above partisan and personal considerations.

2.2 At the very outset of every meeting of the PAC, the following observations were categorically made by Chairman:-

- (a) that during the discussion, the names of the persons involved in the irregularity shall not be divulged so that the chances of prejudice, victimization, personal like and dislike and bias may be warded off;
- (b) Representatives of the departments are expected to assist the Committee in performance of its duties in the real sense. They may not insist on concealment of the irregularities/ illegalities committed by the government functionaries;
- (c) It is joint responsibility of elected representatives and government officials to protect and defend the public interest;
- (d) The decisions/recommendations of the Committee ought not to be taken lightly by the government functionaries; because this action on their part can land them in difficulty and the possibility of loosing their jobs cannot be ruled out;
- (e) The main task before the PAC is to eliminate irregularities and ensure that strict financial discipline is observed, and.
- (f) It was decided that unless and until there had been extreme exigency, no Sub-Committee would be constituted as the past experience showed that besides other complications/problems in this respect, most of sub-committee could not finalize their work and present their reports to the PAC for further examination. Further more, in order to ensure timely implementation of the recommendations/directives of the committee, it has been decided to hold follow up meetings regularly to arrive the decision of the committee to its logical end.

2.3 The following table shows the detail of the Departments and numbers of Draft paras scrutinized by the committee.

S.No.	Name of Department.	Total Draft Paras.
1.	C&W Department	129
2.	Agriculture	7
3.	Board of Revenue.	28
4.	Education	22
5.	Food	19
6.	Forest	10
7.	Health	62
8.	Home and T.As.	12
9.	Irrigation.	62
10.	Local Government & RDD.	20
11.	Public Health Eggg:	31
12.	Physical Planning & Housing.	12
13.	Planning Environment and Development.	4

2.4. The Committee in its meeting, unearthed certain cases of gross financial bungling, large scale of irregularities and mis-use of power, and where, prima facie, the misappropriation or embezzlement of public money was established, it ordered the recovery within stipulated time from the culprits i.e. the government officials, contractors and consultants involved in financial irregularities. Approximately, a sum of Rs. Twenty six crores has been ordered to be recovered from the defaulters.

2.5. In addition to the above, while discussing the special study Report on Hayat Shaheed Teaching Hospital Peshawar a sum of Rs. 15,66,000/- has been ordered to be recovered from the culprit (s).

2.6. The Committee also directed and recommended that if the recovery was effectuated in time by the defaulter (s), then non departmental action may be taken and no entry in the ACRs be reflected. However, if the culprits hesitate to make the recovery, then departmental as well as criminal action coupled with recovery may be taken.

2.7. In certain cases, where minor cases of irregularities of obtaining sanction in time was involved, and it was found that no financial loss accrued to the Government, though the committee had dropped the paras, yet the department was issued directives that in future such type of irregularities would be taken up by the PAC seriously.

2.8. The Committee, in certain cases of complicated nature, ordered the constitution of inter Departmental enquiry Committees consisting of representative of the Administrative Department concerned, the Law and parliamentary Affairs, the Finance and Audit office to bring out the factual position.

2.9. Following is the brief sketch of the irregularities committed by each Department:-

(1) **COMMUNICATION AND WORKS DEPARTMENT.**

In this Department the cases of defective tender system, manipulation in the tender documents, acceptance of highest rates, missing of stores, non preparation of detailed estimates, non obtaining of technical sanction in time, making contract agreement without vetting by Law and clearance by Finance Departments, non implementation of General Financial Rules, CPWD code and violation of constitution and non implementation of the decision of DAC were unearthed by the committee with the assistance of the Audit, for future guidance, the department was directed to be vigilant and avoid all such irregularities, because it leads to the embezzlement of government money and financial indiscipline/ mismanagement.

(2) **IRRIGATION & FOREST DEPARTMENTS.**

Likewise C& W, in these departments too, the main Audit objections were the acceptance of highest rates, excess expenditure, misappropriation, shortage, non recovery of outstanding dues, fictitious adjustment, blockage of government money, bad planning, non production of record to Audit, defective contract agreements without being vetted by Law and Finance Department and non completion of inquiries in time. In the irrigation Department it was also noticed that there was only one enquiry officer who conducted number of enquiries and he, too, did not pay due attention to the task assigned to him and failed to submit the reports in time. Moreover, he did not hold any one responsible for the lapse, and usually recommended that the Para may be dropped.

(3) **PLANNING ENVIRONMENT AND DEVELOPMENT DEPARTMENT.**

In respect of PE&D, the main issue which came to the notice of the committee was exercising the powers of Finance by PE&D in respect of receipt of loans and donations from foreign agencies. The provisions of GFR and other rules were found to have been violated, which resulted in losses to the Government. In order to resolve the tussle between the Finance and PE&D, a high powered inter-departmental Committee has been ordered to be constituted by the chief Secretary.

(4) **HEALTH DEPARTMENT.**

Besides other issues, in the Health Department, it was noticed that in certain cases, lowest tenders of medicines were accepted on quality basis without recording the reasons by the accepting authority, which rendered the cases doubtful. Similar was the case of machinery. Cases of embezzlement, misappropriation, shortages, overpayment, losses non recovery of outstanding

dues, fictitious adjustment and non coordination with MSD is worth mentioning. Some doctors were drawing non practicing allowance in violation of rules. Similarly, the utility charges of sui-gas, electricity, and House rent have not been recovered from the concerned staff.

(5) **HOME AND TRIBAL AFFAIRS DEPARTMENT.**

In the Home Department, in Police wing, the cases of expenditure over and above the ceiling on residential telephones of officers and P.O.L. charges are worth mentioning. The Committee ordered the recovery unless the same are condoned by the Government.

(6) **EDUCATION DEPARMENT.**

Keeping in view the much publicized cases of Mansehra and Nowshera Education Scandals, the Members apprehended that there might be some huge cases of financial bungling in the Education department in other districts, so the committee desired that complete and detail audit of the department may be carried out. In addition to other issues, the committee ordered the recovery involved in the financial cases with disciplinary action as well. Here also the embezzlement, misappropriation, over payment, losses, doubtful and unauthorized expenditure was the basic and fundamental Audit objections.

(7) **LOCAL GOVERNMENT & RURAL DEVELOPMENT DEPARTMENT.**

The audit mainly objected to the misappropriation, overpayment, non recovery of public money, irregular expenditure and fictitious adjustment in this department.

(8) **PUBLIC HEALTH ENGINEERING DEPARTMENT.**

Besides other issues, it came to the notice that the department did not hold meetings of DAC inspite of repeated correspondence from director General, Audit. The department was directed to hold regular meetings at least once in six months.

2.10. **GENERAL OBSERVATIONS OF PAC.**

(1) **NON IMPLEMENTATION OF THE DECISION OF DAC.**

It was noticed by the committee, that in most of the cases, particularly with reference to inquiries, the decisions of the Departmental Accounts Committee, were not honored by the department despite the fact that the DAC was always chaired by the Administrative Secretary of the Department concerned to which Draft Para related. Moreover sometimes, the Secretary of the department hesitates to convene the meeting of DAC inspite of repeated correspondence from Director General Audit. The Committee directed that in

future the meetings of DAC may be held at least twice in a year and the decisions made therein must be implemented at all cost.

(2) **UNFAIR INQUIRIES.**

In certain cases, junior officers were appointed to conduct inquiries, which was not fair. This state of affairs on the part of the Provincial Government Departments was quite deplorable. In order to have impartial and transparent inquiries, it may be conducted through Senior Officers of the division other than in which inquiries were required. The inquiries must be completed within stipulated period.

(3) **SUB STANDARD/ILLEGIBLE WORKING PAPER.**

Despite repeated instructions from PAC, in number of occasions, it was found that the Quality of working papers was very poor, so much so that certain papers placed before the committee by the department were not readable. In certain cases documents shown to have been attached with working papers, were found missing. Besides, some times the reply of the department during discussion was totally different from that given in the annotated form in working paper, which made the issue confusing and incomprehensible. Moreover, comments of the Finance and Audit Departments were not found upto the mark. Therefore, it was again directed that the Administrative Secretaries should ensure that in future the working paper must be complete in all respects and arranged according to the Audit report. The Finance Department was specifically directed that irrelevant type of comments may be avoided in future, and detailed comments must be endorsed. Similarly, the Audit office should give their detailed comments on the working papers of the departments.

(4) **POOR PERFORMANCE BY DEPARTMENTAL OFFICER.**

The Committee noticed that certain officers of the departments were not adequately prepared to answer the queries raised by the Members and usually had to cut sorry figure, So it was directed that in future the officers should come up fully prepared to the meeting with all supporting materials to properly reply to the queries raised during the meeting so that the precious time of the Committee may no be wasted.

(5) **Non production of Auditable record to Audit.**

The Audit had pointed out that some times the departments did not provide the auditable record to the Audit Party due to which the documents could not be examined and scrutinized and discrepancy if any could not be reported in detail, which was a gross irregularity. The Committee directed that in future such record must be produced to the Audit Party and in case of any

such complaint, a draft para may be framed against the officer at fault and the Administrative Secretary must take disciplinary action against the official who failed to produce the record.

(6) **Maintenance of Stock Register**

It was notice that the stock and store registers were not properly maintained by the departments. In certain cases plain registers were used instead of that prescribed by government. It was also noticed that in some cases the registers were taken away by the absconded Store Keepers, because of which, the inquiry into the missing articles could not be conducted/ finalized. The Committee directed the departments that in order to avoid such embarrassing situation, a duplicate register may be maintained as well and it may be kept in safe custody.

(7) **Non submission of accounts by the Federal Agencies and local Bodies to the Provincial Government Departments in respect of expenditure made from the Provincial Budget.**

It was pointed out that payments made by a Provincial Government Departments to Federal Agencies specially WAPDA, and Local Bodies were not submitting their accounts to the department concerned regarding expenditure from Provincial Budget. The concerned agencies were directed to make available the audit accounts regarding those. Schemes sponsored by the Provincial Government departments to Accountant General, Audit as well as to the Department concerned regularly.

(8) **Engagements of Consultants.**

During the meetings, the Committee noticed with great concern that the government departments, particularly those concerned with developmental works engaged Consultants for various projects undertaken by them, as a result colossal expenditure is incurred on consultancy despite the fact that in most cases the consultancy has been proved deficient. Moreover, while fixing responsibility of any irregularity or misappropriation, the department shifts its responsibility to the consultants. The Committee was of the view that technical staff of the department was fully competent to perform the job, desired to initiate their expertise. By this way, the Committee opined that huge expenditure accrued on consultancy could be saved and spent on the developmental work.

(9) **Internal Audit System.**

In pursuance of the provision of General Financial Rules, system of internal check plays a vital role to prevent and detect errors and irregularities in the financial proceedings of its subordinate officers and guards against waste and loss of public money and stores. While discussing the accounts of

the government, it came to light that in most of the cases the internal check system was either not available or it was very poor and the reports of the internal Audit, as required under the said rules had not been endorsed to the Audit. The Committee directed that each department must ensure about proper internal check system in future according to the spirit of the rules. Moreover, the Audit should reflect the points detected during the internal Audit of the department, in the Audit Report if not already settled by Audit.

(10) Abuse of powers/parallel budgeting.

The Committee noticed that most of departments at the close of financial year prepared fake documents on the basis of which they saved the amount from being lapsed and placed it in various Banks and afterwards utilized it in the next year on the work other than that for which it was drawn. This amounts to parallel budgeting using the powers of the Assembly, whereas in fact the department should have surrendered the amounts and demanded in the next financial year for the works for which it was required. This is a serious irregularity and against the spirit of the Constitution. This shows that either there is lack of financial management in the departments or the funds are not released in time. Therefore, the Committee directed that the departments should not transgress the limits drawn by the Constitution. Moreover, the Committee directed that Finance Department should release funds in time to avoid such problems in future.

(11) Wide publicity of tenders.

It came to light that tenders involving huge amounts were published in local weekly newspapers. The department contended that the tenders were floated in the papers by the Information department. Moreover the cutting produced by the departments did not contain the name of any newspaper. The Committee directed that in future tenders must be floated in leading newspapers in accordance with the government policy so that maximum participation is made and the chance of misappropriation is avoided. The departments must produce full scape of newspaper to the PAC in future along with letter sent to Information department.

(12) Non submitting of contract agreement to Law and Finance Departments for vetting.

The Committee took serious notice of the matter that generally the departments enter into contract agreement without getting it vetted by the Law and cleared by the Finance Departments. Unless there was a model contract, the departments were directed that they must consult Law and Finance Departments to avoid complications at later stage.

(13) Non production of record on the pretext being in the custody of Anti Corruption Establishment.

It was noticed that the department delayed inquiry and verification of the record on the pretext that the relevant record had been taken into custody by the Anti Corruption establishment/Court. The Committee observed that

certified copies of any documents unless, it was a privileged one, can be obtained from any Court. The Committee directed that while delivering record to the Anti Corruption establishment, duplicate copies duly attested by a responsible officer may be retained in the office for record.

(14) Preparation of duplicate copy of the acquaintance roll.

With regard to acquaintance roll, the Committee directed that being important record, duplicate copies must be prepared and it must be kept by the Head of the Department in safe custody.

(15) Lack of supervision by the Supervisory Officer in financial matters.

The Committee showed concern over the lack of supervision by the Supervisory Officer, especially in financial matters. A supervisory officer is expected to be vigilant and see that his subordinates are performing their duties in accordance with the rules. Further more he is also expected to see that his subordinates are apprised of their duties and the provisions of relevant rules which they are expected to follow.

(16) Non pursuing of court cases.

The Committee has taken serious notice of the fact that the litigation on behalf of the government is not properly contested/pursued. Therefore, it was directed that senior officers well versed with the fact of the cases must be deputed to pursue the case in the Courts vigorously. The Law department was also directed to check the efficiency/performance of the law Officers, and put the inefficient and negligent officers to task.

(17) Implementation of Rules.

While entering into contract with foreign agencies/donors it must be ensured that the rules prevailing in the Country are followed in letter and spirit unless amended or relaxed by the competent authority.

(18) Lack of knowledge of dealing officer.

It was noted with concern that the officers, in majority cases who are entrusted the supervision of the accounts, lacked the knowledge of the G.F.R. and not properly trained. When an officer has been entrusted with any job especially dealing in financial matters, it must be ensured, that he is fully acquainted with the knowledge of the relevant rules and conscious of his responsibility. For this purpose in-service training and refresher courses should be arranged. The existing arrangement of training may be expanded and energized.

(19) Observation in respect of Audit Report.

With regard to Audit, it was directed that while compiling Audit Report, the following points may be taken into consideration:-

- (a) each Para must contain proper heading.
- (b) use of abbreviation be avoided.
- (c) report may be prepared on the basis of circle/division.
- (d) number of Para be given on the top of a Para instead of giving below.
- (e) for each issue, separate para may be framed .
- (f) full facts of the case may be reflected in each draft para.
- (g) duplicate numbering of the paras may be avoided.
- (h) performance Audit Report should be printed separately.
- (i) figures recorded in million may also be exhibited in lacs.

(20) In sufficient reporting by Audit.

The Audit reported that due to meager resources they only conduct test audit of (2) months of the departments, which too is not done regularly in each year. In order to have complete and minute audit, the Committee recommended that the Auditor General of Pakistan may provide sufficient staff to Director General Audit in the best interest of public.

III. RECOMMENDATIONS.

3.1. While submitted this report to the Provincial Assembly of North West Frontier Province, the Committee finally recommends that the suggestions, recommendations and directives made by the committee in the report and the Minutes, as appended be accepted.

Sd/-
(HIDAYATULLAH KHAN CHAMKANI)
SPEAKER/CHAIRMAN OF THE
PUBLIC ACCOUNTS COMMITTEE.

PROVINCIAL ASSEMBLY OF NWFP.

Tuesday, the 22nd July, 1997.

Ist sitting of PAC.

Communication & Works Department.

The Public Accounts Committee assembled at 09:40 A.M. in the conference n Room of the Frontier House Abbottabad to examine the Audit Report on the Accounts of Government of NWFP for the year 1994-95 pertaining to Communication and Works Department. The following were present:-

PUBLIC ACCOUNTS COMMITTEE:

1.	Mr. Hidayatullah Khan Chamkani, Speaker.	Chairman
2.	Haji Muhammad Adeel , Deputy Speaker.	Member
3.	Syed Muhammad Sabir Shah, MPA	Member
4.	Mr. Ali Afzal Khan Jadoon, MPA	Member
5.	Mr. Muhammad Bashir Khan Umerzai, MPA.	Member
6.	Mr. Pir Muhammad Khan, MPA	Member
7.	Nwabzada Mohsin Ali Khan, MPA.	Member
8.	Mr. Najmuddin, MPA.	Member
9.	Mian Gul Asfandyar Amir Zeb, MPA	Member
10.	Mian Iftikhar Hussain,MPA	Member

BY SPECIAL INVITATION .

Mr. Yousaf Ayub Khan,
Minister for C& W.

AUDIT DEPARTMENT .

1. Mr. Shafiullah Khan,
Director General.
2. Mr. Sikandar Khan,
Director.
3. Mr. Muhammad Ayaz,
Deputy Director.
4. Mr. Mutahir Shah,
Deputy Diretor.

COMMUNICATION & WORKS DEPARTMENT.

1. Mr. Naeem Khan,
Secretary to Government of NWFP,
C&W Department.
2. Engineer Tariq Saeed,
Chief Engineer (Centre).
3. Engineer Abdur Rahim Mian,
Chief Engineer (North).
4. Engineer Hazrat Sultan,
Chief Engineer (South).
5. Mr. Muhammad Salim Javed,
Superintending Engineer, Abbottabad.
6. Mr. Akhtar Gul,
Accounts officer.

FINANCE DEPARTMENT.

Mr. Abdus Samad Khan,
Deputy Secretary.

LAW DEPARTMENT.

Mr. Zia-ud-Din Khattak,
Additional Secretary.

PROVINCIAL ASSEMBLY.

1. Mr. Nazir Ahmad,
Additional Secretary-I.
 2. Mr. Muhammad Mushtaq,
Additional Secretary-II.
 3. Mr. Amanullah,
Deputy Secretary-I.
2. The Meeting commenced with recitation from the Holy Qura'n followed by translation.
3. In his opening remarks, the Chairman emphasized that we are answerable to almighty Allah and it is our foremost duty to perform the job honestly assigned to us by the Assembly. He stressed that the decision of the PAC should be implemented in letter and spirit and any delay in this respect would not be tolerated.
4. The Committee noted with grave concern that the working paper was not provided to them in time due to which they could not study the same properly. The committee was informed that immediately after laying of the Report of the Auditor General in the house in May 1997, the Assembly Secretariat directed all the Departments to furnish working papers, duly commented upon by the Audit and Finance Departments immediately. But the

Department failed to furnish the same in time, rather submitted it one day before the commencement of the meeting, due to which it was not possible for the Assembly Secretariat to have circulated the same amongst the Members in time, the Chairman took serious view of this irresponsible attitude of the Department and directed that in future the working papers should be furnished to the Assembly Secretariat well in advance of the meeting, failing which stern action would be taken against the responsible offices of the concerned Department.

5. The Chairman stressed on the attendance of the Public Accounts Committee meetings by the Administrative Secretaries personally and categorically stated that their absence would not be excused without cogent reasons and in case of unavoidable circumstances prior permission must be obtained.

6. On invitation by the chair, the Director General briefed the Committee in respect of the Audit report 1994-95 to be discussed during the session.

7. He stated that as per provision the Audit and Accounts order 1973, issued under articles 168 & 169 of the constitution, the Auditor General of Pakistan submits Accounts of Federation and Audit report thereon to the National Assembly through the president and the Accounts of the Provinces and Audit Reports thereon to the respective Provincial Assemblies through Provincial Governors. These Audit reports are discussed by standing Committees on Public Accounts (PACs), of the respective Assemblies.

8. He explained that Audit reports for the year up to 1994-95 on the Accounts of NWFP Government had been laid before the Provincial Assembly. The Audit Report for the year 1995-96 has been printed and signed by the Auditor General of Pakistan on 02/07/1997. This will soon be laid before the Provincial Assembly.

9. He opined that effectiveness of Audit Reports lies in the mode and manner in which these are scrutinized, examined and discussed by PAC. Long arrears of Audit Reports usually reduce the effect and impact of these reports.

10. He added that it goes to the credit of the present PAC of NWFP Assembly that soon after its formation, it took upon itself the task of taking of audit Reports earnestly and ordered examination of the annual Audit Report for the year 1994-95.

11. He further added that Audit reports for the years 1985-86, 1989-90 and 1991-92 have partially been discussed by the last PAC and follow-up actions in some of the cases require finalization. Audit Reports for the years 1986-87, 1987-88, 1988-89, 1990-91, 1992-93 and 1993-94 have not been discussed as yet.

12. Giving the details in the present audit Report he said that it contains serious irregularities which include embezzlement. Misappropriation, shortages, losses and non-recovery of outstanding government dues etc. in spite of acute shortage of staff and resources the directorate of the Audit has been able to recover a huge amount of Rs.31,356 million during the report year while an amount of Rs. 6441.136 million has been held under observation for recovery/regularization. The report comprises of 418 Draft Paras with the following break up.

Name of Deptt	Total No. D.Ps.	Amount already Recovered at the instance of Audit.	Amounts under observation. (Rs. in Million)
Agriculture	7	5.379	30.506
Board of Revenue	28	1.346	237.698
C & W	129	13.121	457.140
Education	22	0.452	56.629
Food	19	0.707	3456.215
Forest	10	Nil	75.953
Health	62	2.699	48.815
Home & TAs	12	0.305	0.500
Irrigation	62	0.196	341.378
LG & RDD	20	1.281	123.181
PHE	12	0.370	14.278
PP & H	31	1.666	1564.679
P & D	4	Nil	25.264
Total	418	31.356	6441.136

13. He stated that with the deficient staff they have been able to Audit coverage only to two months accounts in an year. Besides, they are conducting certification audit of 30 Foreign Aided projects being run in the Province. Moreover, we are carrying out performance audit of a few projects annually which are printed in the Audit reports. Performance Audit Reports on construction on Archives Building and Public Library, Peshawar and a special Audit Report on improvement and removal of deficiencies in Hayat Shaheed Teaching Hospital, Peshawar will be discussed during this session. Serious irregularities have been pointed out in these reports as well.

14. He informed that before the Audit paras are printed in the annual Audit reports. Executive Departments are given an opportunity to discuss and express their opinion on the Paras in Departmental Accounts Committee meeting as required under Article 269 of the Audit Code.

D.P. 585 Over payment of Rs.15.424 million.

15. The Audit pointed out that in the Building Project Division No.II Peshawar over head charges amounting to Rs.40,11,168/- were paid to the contractor in 05/1994 in addition to the escalation payment of Rs.12.306 million under clause 9.5 of the special agreement according to such clause the

owner i.e. (Executive Engineer) was to bear the cost including wages & salaries of the employees during the time of suspension on the written orders of the Department. No such orders were however available on record.

16. The Department admitted the fact that no such suspension orders were issued by them. The Committee did not agree with the contention of the Department that issuance of written orders of the suspension was a mere formality and recommended that over payment of Rs.40,11,168/- may be recovered by the department from the concerned XEN within three months, failing which departmental/criminal proceedings coupled with recovery may be initiated against him. Progress may be reported to the PAC. Para stands.

D.P. 589. Overpayment of Rs.301,100/- due to allowing higher rates then approved on.

17. The Committee noted with grave concern that no recovery had been affected by the Department after the lapse of one and a half year as accepted in the DAC meeting. The Committee directed the Department that recovery of Rs.3,01,100/- may be made from the concerned Divisional officer (XEN) within three months, failing which departmental/criminal proceedings coupled with recovery may be initiated against him. Progress may be reported to the PAC. Para stands.

D.P. 620 Overpayment of Rs.7,43,233/- due to non deduction of voids.

18. The Committee was informed that the Secretary C&W Department had issued orders that no such deduction for voids should be made from fill/embankment when measured compacted as per ASHTO. In view of the said order the voids were not deducted.

19. The Committee observed that since the concerned officer had failed to follow the order of the Secretary C&W, therefore, the amount may be recovered from the concerned officer within three months. Failing which departmental action be taken against him. Progress shall be reported to the PAC. With the above observation the Para stands.

D.P.651 OVER PAYMENT OF Rs.4,47,524/-.

20. The Administrative Secretary categorically admitted that rate per cft should have been Rs.38 instead of Rs.59.71. He proposed that the amount over then Rs.38 per cft which comes to about Rs. 4,47,524/- should be recovered from the officer who was responsible for this lapse. He assured the Committee that besides recovery, departmental action would also be taken against the concerned defaulting officer.

21. The Committee accepted the proposal of the Department and directed that the amount may be recovered from the defaulting officer within three months and progress be intimated to the PAC. Para stands.

D.P. 429 Overpayment of Rs.3, 38,950/- due to application of higher rates.

22. The Department explained that an inquiry Officer had already been appointed to conduct inquiry in this case.

23. The Committee noted with concern that after the lapse of sufficient time, the inquiry officer could not finalize the inquiry report. The Committee directed the department to submit the inquiry report within two months to the PAC. Moreover the inquiry officer be called upon to explain the delay in submission of inquiry report and progress be reported to the PAC. Para stands.

D.P. 592. Overpayment of Rs.2,40,433/-

24. After due consideration the Committee recommended and directed that recovery of the overpayment involved may be made from the consultant concerned within three months, failing which she may be black listed and report be submitted to the PAC. Para stands.

D.P. 411. Over payment of Rs.0.490 million due to unauthorized payment to contractor.

25. In view of the explanation of the department the para was recommended to be dropped. However, the Committee directed that in future all procedural and codal formalities must be completed with in one week after the occurrence.

D.P. 707 Overpayment of Rs.2,08,272/-

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

D.P 564 Over payment of Rs.1,55,906/-.

27. The Committee directed the Department that recovery may be made from Divisional Officer concerned within three months, failing which disciplinary action may be initiated against him and report submitted to the PAC. Para stands.

D.P 559 Overpayment of Rs.1,45,906/-

28. As per decision against D.P.No.620.

D.P 755 Overpayment of Rs.81,120/-

29. The Department explained that inadvertently different figures were recorded in the in the agreement and work order, but actually no loss was accrued to the Government. After checking the documents by the Audit, they accepted the explanation of the Department.

30. In view of ht explanation of the Department and satisfaction of the Audit, the para was recommended to the dropped. However, the Committee directed the Department to take disciplinary action against the concerned officer for negligence.
31. The meeting was adjourned till 23/07/1997 at 9:30 a.m.

Sd/-
(HIDAYATULLAH KHAN CHAMKANI)
Chairman,
Public Accounts Committee.

PROVINCIAL ASSEMBLY OF NWFP.

Wednesday, the 23rd July, 1997.

2nd sitting of PAC.

Communication & Works Department.

The Public Accounts Committee assembled at 09:50 A.M. in the conference Room of the Frontier House Abbottabad to continue examination of the Audit Report on the Accounts of Government of NWFP for the year 1994-95 pertaining to Communication and Works Department. The following were present:-

PUBLIC ACCOUNTS COMMITTEE:

1.	Mr. Hidayatullah Khan Chamkani, Speaker.	Chairman
2.	Haji Muhammad Adeel , Deputy Speaker.	Member
3.	Mr. Ali Afzal khan Jadoon, MPA	Member
4.	Mr. Muhammad Bashir Khan Umerzai, MPA.	Member
5.	Mr. Pir Muhammad Khan, MPA	Member
6.	Nwabzada Mohsin Ali Khan, MPA.	Member
7.	Mr. Najmuddin, MPA.	Member
8.	Mian Gul Asfandyar Amir Zeb, MPA	Member
9.	Mian Iftikhar Hussain,MPA	Member

AUDIT DEPARTMENT .

1. Mr. Shafiullah Khan,
Director General.
2. Mr. Sikandar Khan,
Director.
3. Mr. Muhammad Ayaz,
Deputy Director.
4. Mr. Mutahir Shan,
Deputy Director.

COMMUNICATION & WORKS DEPARTMENT.

1. Mr. Naeem Khan,
Secretary to Government of NWFP,
C&W Department.
2. Engineer Tariq Saeed,
Chief Engineer (Centre).
3. Engineer Abdur Rahim Mian,

- Chief Engineer (North).
4. Engineer Hazrat Sultan,
Chief Engineer (South).
 5. Mr. Muhammad Salim Javed,
Superintending Engineer, Abbottabad.
 6. Mr. Muhammad shafi,
Superintendent Engineer (Building)
 7. Mr. Akhtar Gul,
Accounts Officer.

FINANCE DEPARTMENT.

Mr. Abdus Samad Khan,
Deputy Secretary.

LAW DEPARTMENT.

Mr. Zia-ud-Din Khattak,
Additional Secretary.

PROVINCIAL ASSEMBLY.

1. Mr. Nazir Ahmad,
Additional Secretary-I.
 2. Mr. Muhammad Mushtaq,
Additional Secretary-II.
 3. Mr. Amanullah,
Deputy Secretary-I.
2. The Meeting commenced with recitation from the Holy Quran followed by translation.

D.P.569 Overpayment of Rs.0.082 million due to non utilization of hills side debris.

3. The Committee took serious view of the fact the that Department failed to conduct inquiry as decided twice in the DAC meeting after the lapse of 5 years. The Department admitted the fault and assured that they would submit inquiry report.
4. After detailed discussion the Committee recommended that 50% amount may be recovered from the concerned defaulting officer within three months. Failing which departmental/criminal proceedings coupled with recovery may be initiated him. Moreover, disciplinary action may also be

taken against the officer who failed to finalize the inquiry within the stipulated period. Progress may be reported to the PAC. Para stands.

D.P.905 Over payment of Rs.0.080 million.

5. After detail discussion the Committee recommended and directed the Department that 50% recovery of the over payment may be made from the concerned XEN within three months and disciplinary action may also be initiated for the mistake as admitted by the Department. Progress be reported to the PAC. Para stands with the above observation.

D.P.587 Over payment of Rs.75,000/- due to incorrect measurement.

6. The Department explained that recovery of Rs.75,000/- had already been effected. They produced copy of the receipt of the said amount.

7. In view of the above, the Committee recommended that the para may be dropped subject to verification of original receipts by the Audit. In future no payment should be made for layout, the Committee directed.

D.P.802 Over payment of Rs.62.351 million due to incorrect measurement.

8. Deferred till tomorrow dated 24/07/1997 for production of relevant record/document as requested by the Department.

D.P.815 Overpayment of Rs.946,857/- due to acceptance of conditional tender.

9. After detail discussion it was established that the provision of rule 19 of the G.F.R. was ignored which was a clear cut deviation from the procedure due to which undue favour was extended to the contractor. The Department categorically admitted this procedural deviation, however, they maintained that no loss was accrued to the Government.

10. The Committee recommended that action may be taken against the officer responsible for procedural deviation and in future all procedural formalities must be completed. In order to avoid losses to the Government, the Department was directed to forward such contract agreements to the Finance and Law Departments for vetting as required under the Rues. The Finance and Law Departments are directed to process such cases to them by the Administrative Departments within 15 days.

11. With the above observation the para was recommended to be dropped.

D.P. 634 Overpayment of Rs.0.21 million.

The Committee after through examination recommended and directed that recovery may be made from the concerned officer within three months. Failing which departmental/criminal proceedings, coupled with recovery may be initiated against him. Progress in this respect may be reported to the PAC. Para stands.

D.P.791 Loss of Rs.1,11,435/- to Government.

12. The Committee recommended and directed the Department that recovery may be made from the concerned officer within three months, failing which departmental/criminal proceeding coupled with recovery, may be initiated against him. Progress be reported to the PAC. Para stands.

D.P. 804 Overpayment of Rs. 0.104 million due to allowing unauthorized payment.

14. The Committee observed that it was just a mis-classification therefore, it was recommended that the Para may be dropped subject to regularization of the expenditure by the Finance Department. However the officer responsible for mis classification may be issued a warning.

D.P. 816 Overpayment of Rs.68410/- due to allowing higher rates.

15. In view of the plausible explanation of the department and verification of documents by the audit, the Para was recommended to be dropped.

D.P 612 Mis appropriation of store worth Rs.12.900 million.

16. After detailed discussion, the Committee recommended and directed the department that the amount of Rs. 1400000/- may be recovered from the concerned store keeper within six months, failing which departmental/ criminal proceedings coupled with recovery may be imitated against him. Departmental action may also be initiated against the XEN for lack of supervision and negligence of duty on his part, the PAC added. Progress may be submitted to the PAC Para stands.

D.P.494. Misappropriation of Rs.433967/-.

17. The Chief Engineer C&W Department categorically admitted the shortage of cement bags. With regard to store costing Rs.301872/- issued to various stores the Chief Engineer told that the record could now be physically verified by the Audit. The Audit did not agree with the contention of the Department and remarked that verification of the store at such belated stage would not be appropriate.

18. The Committee, therefore, recommended and directed the Department that the entire amount may be equally recovered from the EXN and store keeper. However the amount from the EXN may be recovered within departmental/ceremonial proceedings, coupled with recovery, may be initiated against the defaulting officer/official. Progress in this respect be reported to the PAC para stands.

DP.616 **MISAPPROPRIATION OF STORE COSTING RS.0.328 MILLION.**

19. The Committee after due consideration recommended and directed the Department that the amount of 38 tons of bitumen costing Rs. 328067/- as established from the record, may be recovered from the concerned XEN and store keeper on equal basis within three months, failing which departmental/criminal proceedings, coupled with recovery, may be initiated against the defaulting officials. Furthermore action may also be taken against the enquiry officer who failed to finalize the enquiry within the stipulated period, the Committee added. Progress may be reported to the PAC para stands.

20 The meeting was adjourned till 24-07-1997 at 09:30 A.M.

Sd/-
(HIDAYATULLAH KHAN CHAMKANI)
Chairman,
Public Accounts Committee.

PROVINCIAL ASSEMBLY OF NWFP.

Thursday, the 24th July, 1997.

3rd sitting of PAC.

Communication & Works Department.

The Public Accounts Committee assembled at 09:50 A.M. in the Conference Room of the Frontier House Abbottabad to continue examination of the Audit Report on the Accounts of Government of NWFP for the year 1994-95 pertaining to communication and works Department. The following were present:-

PUBLIC ACCOUNTS COMMITTEE:

1.	Mr. Hidayatullah Khan Chamkani, Speaker.	Chairman
2.	Haji Muhammad Adeel , Deputy Speaker.	Member
3.	Mr. syed Muhammad Sabir Shah , MPA	Member
4.	Mr. Muhammad Bashir Khan Umerzai, MPA.	Member
5.	Mr. Pir Muhammad Khan, MPA	Member
6.	Nwabzada Mohsin Ali Khan, MPA.	Member
7.	Mr. Najmuddin, MPA.	Member
8.	Mian Gul Asfandyar Amir Zeb, MPA	Member
9.	Mian Iftikhar Hussain,MPA	Member

AUDIT DEPARTMENT .

1. Mr. Shafiullah Khan,
Director General.
2. Mr. Sikandar Khan,
Director.
3. Mr. Muhammad Ayaz,
Deputy Director.

COMMUNICATION & WORKS DEPARTMENT.

1. Mr. Naeem Khan,
Secretary to Government of NWFP,
C&W Department.
2. Engineer Tariq Saeed,
Chief Engineer (Centre).
3. Engineer Abdur Rahim Mian,
Chief Engineer (North).

4. Mr. Muhammad Salim Javed,
Superintending Engineer, Abbottabad.
5. Engineer Hazrat Sultan,
Chief Engineer (South).
6. Mr. Muhammad shafi,
Superintendent Engineer (Building)
7. Mr. Akhtar Gul,
Accounts Officer.

FINANCE DEPARTMENT.

Mr. Abdus Samad Khan,
Deputy Secretary.

LAW DEPARTMENT.

Mr. Zia-ud-Din Khattak,
Additional Secretary.

PROVINCIAL ASSEMBLY.

1. Mr. Nazir Ahmad,
Additional Secretary-I.
 2. Mr. Muhammad Mushtaq,
Additional Secretary-II.
 3. Mr. Amanullah,
Deputy Secretary-I.
2. The Meeting commenced with recitation from the Holy Quran followed by translation.

D.P 802 Over payment Of Rs.62.351 (M) due to incorrect measurement.

3. As directed by the Committee on 23-07-1997 the Department produced the record for examination. The PAC observed that the Department had failed to complete codal/legal formalities before entering into contract agreement. This fact was categorically admitted by the Department.
4. The Committee, after detail consideration, decided that the Administrative Department should approach the Ministry of Finance, Government of Pakistan and Auditor General of Pakistan to freeze the amount of Rs.6257141 from FWO, as the same is outstanding mobilization advance against FWO. Moreover, the Department was warned that in future all codal formalities must invariably be completed and such contract agreements must

be got vetted by the Law as well as Finance Departments. Progress may be reported to the PAC. Para stands.

DP.909 Suspected miss-appropriation of store worth Rs. 0.510 million and non accounting of stock worth Rs. 1.6873 million.

5. The Department explained that relevant record could not be produced to the audit for verification as the same was with the Anti-corruption Department.

6. the Committee directed that representatives each of the Audit and C&W Departments may verify the record lying with the Anti-corruption Department and submit a report to the Committee on 19-08-1997.the Assembly Secretariat may approach the Anti-Corruption Department to allow the record for examination to the representative of the Departments for verification. Progress may be reported to the PAC. Para stands.

D.P. 572 Suspect mis-appropriation of store worth Rs.0.190 million.

7. The Committee after detailed discussion recommended and directed the Department that recovery of misappropriation of store item worth Rs.190000/- may be recovered equally from the concerned XEN, SDO, Divisional Accountant and Storekeeper within three months. Failing which departmental/criminal proceedings, coupled with recovery, may be initiated against the defaulters. Moreover, the mis-appropriation of 100 bags of cement costing Rs.0.012 million be verified by the Audit and Administrative Department, the Committee added. Progress may be reported to the PAC. Para stands.

D.P. 812 Mis-appropriation of Rs.191020/-.

8. The Committee after due consideration recommended that disciplinary action may be initiated against the officer within two months who was responsible for payment. Progress may be reported to the Pac. Para stands.

D.P. 854 Mis-appropriation of Room Rent Charges amounting to Rs.69540/- to Government Rest House at Danin.

9. In view of the explanation of the Department, the para was recommended too be dropped subject to verification of original deposit receipts by the Audit.

D.P. 421 Losses worth Rs.21.121 million.

10. The Committee directed that the amount already recovered by the Department may be verified by the Audit and the balance amount be recovered within one month. In future all outstanding amounts be recovered

from the final bill of the contractor. Progress may be intimated to The PAC. Para stands.

D.P. 600 Loss of Rs.0.699 million to state due to manipulation in tender rates.

11. After due consideration the Committee recommended that the para may be dropped with the direction that in future no cutting in the tender form be allowed even if initiated. Such tenders shall not be entertained in any case.

DP.610 Loss of rs.4.250 million sustained due to wasteful expenditure on account of consultancy charges.

12. The Committee after due consideration deferred the matter and decided that in order to avoid wasteful expenditure on account of consultancy charges either the CDO may be abolished or the composition of the PSWP committee may be strengthened/ enlarged. The Chairman directed that the Administration Department should come up with concrete suggestions in this respect within one month so that the same may be circulated amongst the Members of the Committee, law, Finance and Audit Departments for comments before the next meeting of the PAC. The Chairman also directed that a copy of the report of the Sub-Committee of PAC dated 23-07-1996 on the subject may be supplied to all concerned.

DP.555 LOSS OF Rs. 0.720 million to Government.

13. The Committee after detail discussion recommended and directed the Department that recovery may be effected from the concerned Divisional Officer of the C&W Department within three months who received the defective bank guarantee and report submitted to the PAC. Para stands.

DP.554 Loss of Rs. 0561 million due to non acceptance of highest bid.

14. The Committee directed that the Department may look into the factual position and hold the person responsible for the loss to Government. The Chief Engineer C&W vide his statement dated 24-07-1997 held the Division Officer responsible for the loss. The Committee directed the Department that the amount of Rs. 500000/- may be recovered from the persons held responsible by the Department within three months. Failing which departmental/criminal proceedings may initiated against him. Progress may be reported to the PAC. Para stands.

DP.669 Loss of Rs. 0.337 million due to change/cutting in the tender rates

15. The Committee directed the Department to determine responsibility for the loss of Rs. 0.337 million due to change/ cutting in the

tender rates and also directed that recovery may be reported to the PAC. Para stands.

DP.496 Loss sustained due to wasteful expenditure of Rs. 0.2473 million.

16. In view of the explanation of the Department, the para was recommended to be dropped with the observation that in future such like practice shall not be repeated.

DP.575 Loss of Rs. 0483 million to the Government due to non crediting of forfeited deposit to the Government Revenue/non recovery of store.

17. The Committee directed the Department that earnest money amounting to Rs. 235904/- may be forfeited for feinted forthwith and the rest of the amount worth Rs.247218/-in respect of issue of store may be recovered from the contractor concerned within three months. Departmental proceedings may also be initiated against the officer who was responsible for not taking timely action in this case. Progress may be reported to the PAC. Para stands.

DP.759 Loss of Rs.233540/- to Government.

18. The Administrative Department explained that 135 Nos of Drums were intentionally damaged by Mr. Sardar Khan S/O Mir Khatam Khan the then Chairman Union Council, Latumber.

19. The Committee after detail consideration directed the Department to approach the Deputy Commissioner to recover the cost of 153 Nos. of drum amounting to Rs. 233540/- from Mr.Sardar Khan S/O Mir Khatam Khan as arrears of land revenue. Progress may be reported to PAC. Para stands.

General:

20. It was pointed out of the Committee that usually the Administrative Department do not hold DAC meetings inspite of repeated requests of the Audit Office. The Committee directed that in future the meetings of the DACs should be held invariably at interval not exceeding six months.

21. The meeting was adjourned till 25-07-1997 at 09:30 A.M.

sd/-
(HIDAYATULLAH KHAN CHAMKANI)
Chairman,
Public Accounts Committee.

PROVINCIAL ASSEMBLY OF NWFP.

Friday, the 25th July, 1997.

4th sitting of PAC.

Communication & Works Department.

The Public Accounts Committee assembled at 09:50 A.M. in the Conference Room of the Frontier House Abbottabad to continue examination of the Audit Report on the Accounts of Government of NWFP for the year 1994-95 pertaining to Communication and Works Department. The following were present:-

PUBLIC ACCOUNTS COMMITTEE:

1.	Mr. Hidayatullah Khan Chamkani, Speaker.	Chairman
2.	Haji Muhammad Adeel, Deputy Speaker.	Member
3.	Mr. Ali Afzal Khan Jadoon, MPA	Member
4.	Mr. Pir Muhammad Khan, MPA	Member
5.	Mr. Najmuddin, MPA.	Member
6.	Nwabzada Mohsin Ali Khan, MPA.	Member
7.	Mian Gul Asfandyar Amir Zeb, MPA	Member
8.	Mian Iftikhar Hussain, MPA	Member

AUDIT DEPARTMENT .

1. Mr. Shafiullah Khan,
Director General.
2. Mr. Sikandar Khan,
Director.
3. Mr. Muhammad Ayaz,
Deputy Director.
4. Syed Mutahir Shah,
Deputy Director.

COMMUNICATION & WORKS DEPARTMENT.

1. Mr. Jamalud Din,
Additional Secretary.
2. Engineer Tariq Saeed,
Chief Engineer (Centre).
3. Mr. Muhammad Salim Javed,
Superintending Engineer, Abbottabad.
4. Engineer Hazrat Sultan,
Chief Engineer (South).

5. Mr. Muhammad shafi,
Superintendent Engineer (Building)
6. Mr. Akhtar Gul,
Accounts Officer.

FINANCE DEPARTMENT.

Mr. Abdus Samad Khan,
Deputy Secretary.

LAW DEPARTMENT.

Mr. Zia-ud-Din Khattak,
Additional Secretary.

PROVINCIAL ASSEMBLY.

1. Mr. Nazir Ahmad,
Additional Secretary-I.
 2. Mr. Muhammad Mushtaq,
Additional Secretary-II.
 3. Mr. Amanullah,
Deputy Secretary-I.
2. The Meeting commenced with recitation from the Holy Quran followed by translation.

D.P 608 Loss of Rs.0.182 million to Government due to change in tender.

3. The Department admitted the interpolation of tender documents, therefore, the Committee directed the Department that the amount of Rs.1,82,286/- may be recovered from the XEN concerned within three months, failing which departmental/criminal proceedings coupled with recovery may be initiated against him. Progress be reported to the PAC. Para stands.

DP.493 Loss of fRs. 286,550/- to the Government.

4. The Committee was of the view that there was no need of inviting fresh tender in the month of March and the contractor was already bound to have transported the cement under the contract awarded in the month of October.

5. After detailed discussion the Committee directed the Department that a sum of Rs.2,86,550/- may be recovered from the XEN concerned within three months, failing which departmental/ criminal action,

coupled with recovery, may be initiated against him. Progress be reported to PAC. Para stands.

DP. 454 Loss of Rs.0.970 million due to unserviceable bitumen.

6. The Department explained that enquiry in this case has been conducted and the Divisional Officer, Sub-Divisional Officer and Storekeeper have been held responsible for the loss.

7. During the course of discussion the Department requested that Divisional Accountant may also be held responsible, but the Committee did not agree with the contention of the Department on the grounds that enquiry report in this case is very much clear. The Divisional Accountant has no where been held responsible by the enquiry officer.

8. The Committee in the light of departmental enquiry directed the Department that the cost of 270 drums amounting to Rs.1,99,353/- may be recovered from the XEN, SDO and Storekeeper within three months. Failing which departmental/criminal proceedings, coupled with recovery, may be initiated against them. Progress may be reported to the PAC. Para stands.

DP. 653 Loss of Rs. 91,595/- due to tempering in tender documents.

9. After detail discussion the Committee directed the Department that Rs. 91,595/- for acceptance of tampered tender documents may be recovered from the XEN concerned within three months, failing which departmental/criminal action coupled with recovery may be taken against the officer. Progress be reported to PAC. Para stands.

DP. 549 Rs. 1.5 million recoverable due to transfer.

10. The Committee directed the Department to fix responsibility and recover a sum of Rs.15, 00,000/- from the defaulting officer within three months, failing which departmental/criminal proceedings coupled with recovery may be initiated against him.

11. Further more, the documents in respect of recovery of Rs.5, 00,000/- already made may be produced to the audit for verification .progress be reported to PAC. Para stands.

DP. 913 Loss of Rs.0.830 million to Government.

12. After detail discussion the Committee recommended to drop the first part of the Para. As regards part two of the Para it was decided that record lying with the Anti-Corruption Department may be checked/verified by the Audit and submit report to the PAC. The Director anti-Corruption to be asked by the Assembly Secretariat for the purpose.

DP. 643 Loss of Rs. 0.481 million sustained due to non acceptance of lower rates.

13. The Department explained that as per decision of DAC an enquiry was conducted and it was found that no loss was caused to the Government.

14. In view of the enquiry report, the Committee recommended that the para may be dropped.

DP. 870 Loss of Rs. 1, 87,115/- to the Government.

15. The Committee after detail discussion upheld that it is established that a loss of Rs.1, 87,115/- was accrued to the Government.

16. The Committee directed the Department that the amount may be recovered from the S.E. & XEN concerned within three months, failing which department/criminal proceedings coupled with recovery may be initiated against them. Progress be reported to PAC. Para stands.

D.P. 837. Loss of Rs.1.5024 million sustained due to allowing high rates.

17. In view of plausible explanation of the Department, the Para was recommended to be dropped.

DP.793 Loss of Rs. 530,853/-to Government.

18. The explanation of the Department regarding 134 bags of cement was accepted.

19. As regarding 332 drums of bitumen which were found empty, the Committee directed the Department that the cost thereof amounting to Rs.51035/- may be recovered from the XEN, SDO and Storekeeper concerned of the Mechanical Sub-Division on equal basis within three months, failing which departmental/criminal action coupled with recovery may be taken against them. Progress may be reported to PAC. Para stands.

DP.778 Loss of Rs. 0.327 million due to payment of un-necessary financial aid.

20 After detail discussion the Committee directed the Department that recovery of Rs.0.327 million may be made from the person concerned within three months, failing which departmental/criminal proceedings coupled with recovery may be initiated against him. Progress may be reported to PAC. Para stands.

DP. 790 Loss of Rs.88886/- to Government.

21. The Committee directed the Department that recovery of Rs.85,421/- may be made from the concerned officer. in case the appeal of the Department is accepted by the competent court, the Department can apply to the PAC for revival decision. Progress may be reported to the PAC. Para stands.

DP. 631. Loss of Rs.1.891 million due to taking back valuable material from site.

22. The Committee directed the Department that recovery of loss of Rs.1.891 million due to taking back valuable material from site, may be made from the XEN, SDO and Sub Engineer on equal basis within three months, failing which departmental/criminal proceedings coupled with recovery may be initiated against them..

23. Further more, the Department was directed to institute criminal case against the contractor and in case the recovery is made from the contractor, the amount may be repaid to the official from whom recovery has been made. Progress may be reported to PAC, Para stands.

D.P. 863. Loss of Rs.0.634 million sustained due to non accountal of store.

24. The Departmental explained that a sum of rupees three lacs has already been recovered and the documents will be submitted to Audit for verification.

25. For the rest of the amount the Department assured that it will be recovered from the current work of the contractor. The Committee accepted the explanation of the Department and directed that the amount already recovered may be got verified by that Audit and the rest of the recovery may be expedited. Progress may be reported to PAC. Para stands.

D.P. 846. Loss of Rs.8,36,707 to Government.

26. In view of plausible explanation of the Department, the Para was recommended to be dropped.

D.P. 708. Non recovery of Government dues Rs. 44.633 million.

27. The Department explained that the case is subjudice. The Para was deferred till the decision of the court. The Department was directed to pursue the case in the court vigorously. Moreover, the Assembly Secretariat may ask the Registrar Peshawar High Court to expedite the case as it involves huge Government money.

D.P. 764 Non recovery of Liquidated damages of Rs. 2.400 million.

28. The Committee after detailed discussion directed the Department that recovery may be made from the concerned contractor through Deputy Commissioner as arrears of land revenue within six months and the contractor is black listed. Progress may be reported to the PAC. Para stands.

D.P. 756 Outstanding amount of Rs. 1.889 million against various contractor.

29. The Department explained that a sum of Rs. 1.3589 million has been recovered which will be verified by the Audit.

30. Regarding recovery of the balance outstanding amount of Rs.5,31,000/- the Committee directed the Department that the said amount may be recovered from the concerned contractors within six months positively, as assured by the Department. Progress may be reported to the PAC. Para stands.

DP.899 Recoverable amount of Rs.1.243 million on various accounts.

31. After detail discussion the Committee directed the Department that the balance amount may be recovered from the concerned officials within three months, failing which departmental/criminal proceedings, coupled with recovery, may be initiated against the defaulting officials. Recovery may be got verified by the Audit and report submitted to the PAC. Para stands.

DP. 917 Recovery of telephone charges.

32 After detail discussion the Committee directed the department that telephone charges in respect of residential telephone only may be recovered from all concerned within three months, failing which departmental as well as criminal action coupled with recovery may be taken against the defaulting officer.

33. As regards telephone charges in respect of offices are concerned in this particular case, the same may be condoned as a special case, however, this directive shall have no bearing in other likewise cases. Progress may be reported to the PAC. Para stands.

D.P. 869 Outstanding amount of Rs.62,125/-.

34. The Committee after detailed discussion, directed the Assembly Secretariat to asked the Chairman Flood Commission to pay back the balance outstanding amount of Rs.1,57,549/- to the C & W Department of NWFP. (Copy of the letter to be endorsed to the C & W Department). The Committee further directed the Department vigorously pursue the case with the Flood Commission. Progress be reported to PAC. Para stands.

D.P. 867 Recovery of outstanding amount of Rs.62,152/-.

35. The Department explained that sufficient amount has been recovered and the amount will be recovered within three months.

36. The Committee directed that amount already recovered may be verified by the Audit and the outstanding may be recovered within three months, as assured by the Department. Progress may reported to PAC. Para stands.

D.P. 442 Recovery of lease money.

37. After detailed discussion, the Committee directed that Department to take up the case with the Deputy Commissioner for recovery at the enhanced rates, as arrears of land revenue from Petrol pumps, falling which the petrol pumps may be sealed.

38. The meeting was adjourned till 28-07-1997 at 09:30 A.M.

Sd/-

(HIDAYATULLAH KHAN CHAMKANI)

Chairman,
Public Accounts Committee.

PROVINCIAL ASSEMBLY OF NWFP.

Monday, the 28th July, 1997.

5th sitting of PAC.

Communication & Works Department.

The Public Accounts Committee assembled at 10:00 A.M. in the Conference Room of the Frontier House Abbottabad to continue examination of the Audit Report on the Accounts of Government of NWFP for the year 1994-95 pertaining to Communication and Works Department. The following were present:-

PUBLIC ACCOUNTS COMMITTEE:

1.	Mr. Hidayatullah Khan Chamkani, Speaker.	Chairman
2.	Mr. Ali Afzal Khan Jadoon, MPA	Member
3.	Mr. Pir Muhammad Khan, MPA	Member
4.	Mr. Najmuddin, MPA.	Member
5.	Mian Gul Asfandyar Amir Zeb, MPA	Member
6.	Mian Iftikhar Hussain, MPA	Member
7.	Mr. Muhammad Bashir Khan, Umerzai, MPA	Member

AUDIT DEPARTMENT .

1. Mr. Shafiullah Khan,
Director General.
2. Mr. Sikandar Khan,
Director.
3. Mr. Muhammad Ayaz,
Deputy Director.
4. Syed Mutahir Shah,
Deputy Director.

COMMUNICATION & WORKS DEPARTMENT.

1. Mr. Jamalud Din,
Additional Secretary.
2. Mr. Muhammad Salim Javed,
Superintending Engineer, Abbottabad.
3. Engineer Hazrat Sultan,
Chief Engineer (South).
4. Mr. Muhammad shafi,
Superintendent Engineer (Building)

5. Mr. Akhtar Gul,
Accounts Officer.

FINANCE DEPARTMENT.

Mr. Zia-ur-Rehman,
Additional Secretary.

LAW DEPARTMENT.

Mr. Aziz Akhter Chughtai,
Secretary to Govt of NWFP,
Law, Parliamentary Affairs and Human Rights Department.

PROVINCIAL ASSEMBLY.

1. Mr. Nazir Ahmad,
Additional Secretary-I.
 2. Mr. Muhammad Mushtaq,
Additional Secretary-II.
 3. Mr. Amanullah,
Deputy Secretary-I.
2. The Meeting commenced with recitation from the Holy Qura'n followed by translation.

DP. 568 Non recovery of Rs. 0.119 million from the contractor on account of cost of store and supervision charges.

3. The department explained that a sum of Rs.1,18,271/-was outstanding and enquiry had been finalized. In view of the enquiry report, the amount outstanding will be recovered from the officer at fault.
4. In view of the above explanation, the Committee directed the Department that the amount in question may be recovered from the defaulting officer within three months, failing which departmental/criminal proceedings, coupled with recovery, may be initiated against him. Progress may be reported to PAC. Para stands.

DP. 910 Recovery of mobilization advances.

5. The Department assured that recovery of the balance amount would be made from the contractor. The Additional Secretary C&W Department requested that they may be given six months period for recovery of the balance outstanding amount.
6. The Committee accepted the request of the Department on the condition that recovery may be made from the contractor within six months

positively, failing which the amount involved may be recovered from the responsible officer. Progress may be reported to the PAC. Para stands.

DP. 907 Recovery of Rs. 8,37,613/- on account of cost of store and other transaction.

7. The Department explained that a sum of Rs. 4,22,526/34 had already been recovered and a sum of Rs. 4,15,086/58 outstanding against 21 contractors, would be recovered within six months.

8. The Committee directed that the amount already recovered may be verified by the Audit and the balance amount may be recovered from the contractor within six months positively as assured by the Department. In case of failure, the amount involved may be recovered from the officer at fault. Progress may be reported to PAC. Para stands.

DP. 900 Recovery of Rs.85,500/-.

9. The Department assured that warning would be issued to the officer who was responsible for non execution of the contract agreement.

10. In view of the explanation of the Department the Para was recommended to be dropped with the observation that in future all the conditions of contract agreements be strictly fulfilled in letter and spirit.

DP. 556 Less recovery of imposed fine/toll tax of Rs.0.256 million from contractor.

11. The Department explained that the balance amount of Rs. 2,55,704/- would be recovered from the contractor through District Administration within two months.

12. The Committee accepted the explanation of the Department and directed that the amount may be recovered from the expiation of the Department and directed that the amount may be recovered from the contractor within two months positively through District Administration. Progress may be reported to PAC. Para stands.

DP.820 Non recovery of liquidated damages of Rs.5.929 million.

13. The Audit reported that in building project Division No.2 Peshawar liquidated damages amounting to Rs. 5.929 (M) was required to be recovered from the contractor due to non completion of work in time in term of Para 9-15 (C) of the contract agreement. The matter was reported to Government for recovery and fixing responsibility against the persons at fault. In the DAC meeting held on 28-03-1995 the Department replied that ex-post facto sanction to the extension in time limit has since been applied to the competent authority.

14. The Department replied that due to certain information required by the higher offices the requisite sanction could not be obtained. The case has however been prepared afresh and referred to higher authorities.

15. After detailed discussion the Committee recommended that the Para may be dropped with the direction that the concerned officer should decide the matter of extension but in any cases some reasonable amount must be recovered within a month and deposited in the Government exchequer for the reason that sufficient time has elapsed. Progress may be reported to the PAC.

DP. 795 Recovery of Rs.4.058 million from the contractors.

16. The Department explained that a sum of Rs. 1,36,000/- had been recovered which is to be presented to audit for verification and efforts were also being made to recover the balance amount. With regard to amount outstanding against FWO, correspondence had been made with the quarter concerned but recovery is still awaited, the Department added.

17. The Audit submitted that the items were not brought to the site, but instead, the XEN issued a cheque, which was a gross irregularity.

18. The Committee after detailed discussion directed the Department that the arrears may be recovered from the XEN concerned within three months, failing which departmental/criminal proceedings, coupled with recovery, may be initiated against him and the amount already recovered be got verified by the Audit. Report be submitted to PAC. Para stands.

D.P. 810 Recovery of Rs.10,13,125/- on account of store.

19. The Department explained that a sum of Rs.1,43,000/- had already been recovered and assured that the balance amount will be recovered within three months.

20. The PAC accepted the explanation of the Department and directed that in case the amount in question is not recovered within three months, the same may be recovered from the officer responsible for the loss accrued to Government. Progress may be reported to PAC. Para stands.

D.P. 797 Outstanding stores worth Rs.4,77,025/-.

21. The Department explained that total recovery had been effectuated which could be verified by the Audit.

22. In view of the explanation of the Department the para was recommended to be dropped subject to verification by the Audit.

D.P. 787 Recovery of outstanding amounts worth Rs.1,20,460/- and Rs.45000/-.

23. The Department explained that they would submit a summary to Chief Minister to recover the amount through Deputy Commissioner from the Petrol pumps.

24. The Committee directed that the recovery of the amount involved at enhanced rates may be made through the Deputy Commissioners concerned within one month period.

25. The Chairman informed the Committee that he had already discussed the case with the Chief Minister who agreed to recover the amount from petrol pumps through Deputy Commissioners. The Committee, therefore, directed the Department to prepare a consolidated case of the defaulting petrol pumps and submit a summary to the Chief Minister in this connection for further necessary action. Progress may be reported to PAC. Para stands.

D.P. 806 Verification of amount of Rs.1,38,298/-.

26. In view of the inquiry report, the Para was recommended to be dropped, however, in future such like cases should not be repeated and the Rules must be implemented in letter and spirit, the Committee directed.

D.P. 861 Non recovery of outstanding Government dues amounting to Rs.7.439 million.

27. The Department explained that out of the outstanding amount of Rs.74,00,000/- a sum of more than Rs.54,00,000/- had been recovered which would be presented to Audit for verification. The Committee was assured by the Additional Secretary C&W Department that the balance amount would be recovered within six months.

28. In view of the explanation and request of the Additional Secretary C&W Department, the Committee directed the Department the amount already recovered may be verified by the Audit and the balance amount may be recovered within six months positively. Progress may be reported to PAC. Para stands.

D.P. 712 Non recovery of Road Roller charges of Rs.12.788 million from the contractor.

29. The Audit office was directed to carry out detailed verification and submit a report to the PAC. Para stands.

D.P. 856 Recovery of outstanding amount.

30. The Department explained that a sum of rupees more than 16 lac had been recovered and assured that the rest of the amount would be recovered within three months.

31. The Committee directed that the amount already recovered may be got verified by the Audit and the rest of the amount, as assured by the Additional Secretary C&W, may be recovered within three months failing which the same would be recovered from the officer at fault. Progress may be reported to PAC. Para stands.

D.P. 914 Un-authorized/irregular expenditure of Rs.256.855 million.

32. After detailed discussion the Committee directed that the procedure regarding measurement of the work done must be followed in letter & spirit. In case the Department has any convincing arguments otherwise, they should move for amendment of the Rules. With the above observation the para was recommended to be dropped.

D.P. 466 Irregular/un-authorized expenditure of Rs.3.604 million.

33. The Administrative Department explained that excess amount was made in the interest of public. The Finance contended that the case should have been met out of lump sum amount placed at the disposal of Secretary, C&W Department.

34. The Committee recommended that the Administrative Department should take up the case for regularization of the excess expenditure with the Finance Department and warning be issued to all concerned including District Accounts offices for having incurred excess expenditure. With the above observation the para was recommended to be dropped.

D.P. 916 Irregular expenditure of Rs.0.584 million.

35. The Department explained that Rs.5,84,000/- was inevitably spent on the repair of the accommodation of A.C. Hangu. However admitted that sanctioning of such amount was not within the competency of the XEN. S.E. and chief Engineer termed it a procedural irregularity. The Finance Department contended that it was an un-authorized and irregular expenditure.

36. The Committee directed that in future such a huge expenditure may not be incurred on a single accommodation and the budget allocation should equitably be distributed. The Administrative Department may take up the case for its regularization with the Finance Department and warning be issued to the concerned officers to be careful in future. Subject to the above observation the para was recommended to be dropped.

D.P. 591 Irregular expenditure of Rs.5.899 million.

37. The Finance Department explained that it is a gross irregularity and expenditure in excess is violation of the sanctity of Assembly and no leniency be taken in the case.

38. The Committee took a serious note of the excess expenditure incurred over and above the budget allotment. After detailed discussion the Committee directed that the officers responsible for the excess expenditure including DAO and accountant may be issued final warning to strictly follow the Rules in future.

39. The para was recommended to be dropped with the observation that no such irregularity to be repeated in future.

D.P. 705 Un-authorized expenditure of Rs.1,57,337/- in absence of proper budget allotment.

40. The department explained that tenders were invited on 21/07/1993 but no body turned up. Subsequently tenders were re-invited and opened on 19/08/1993. The contention of Audit that no competition was generated and work was awarded to a choice person was not based on facts as (22) contractors/firms participated in the bid, and that the expenditure had been charged to AM&R, the Department added.

41. The Committee observed that, since the expenditure had been made in the interest of public. Therefore, the irregularity may be condoned with observation that in future such irregularity be avoided. With the above observation the para was recommended to be dropped.

D.P. 609 Loss of Rs.0.300 million due to un-necessary execution on item of work and overpayment of Rs.0.10 million.

42. The Department explained that technical sanction of the scheme was also accorded by the competent authority. However, the Chief Engineer had admitted the fault of the draftsman.

43. The Committee recommended that the para may be dropped with the observation that in future whosoever may be responsible for the fault, would be dealt with severely and no leniency would be shown.

D.P. 902 Irregular expenditure of Rs.1,01,958/- on the repair and maintenance of Superintending Engineer's Vehicle.

44. The Administrative Department explained that there is no allotment of Budget for maintenance of vehicles in the S.E. office. The Additional Secretary Finance Department contended that there was proper allotment in the Budget book for the purpose in question, but he was not in a possession of the Budget book to substantiate his point.

45. The Committee was of the view that in absence of proper allotment under the relevant head of account. Such like irregular expenditure could not be properly checked and are likely to be repeated.

46. In view of the above the Committee recommended that in order to avoid such practice proper budget should be allocated and the officer should strict to their ceiling of POL/yard stick fixed by the Government. With the above observation the para was recommended to dropped.

D.P. 602 Excess expenditure of Rs.78,992/- on account of Telephone calls.

47. The Department was directed to recover the amount spent over and above the budget allocation from the concerned officer within three months failing which departmental/criminal proceedings coupled with recovery may be initiated against him. Progress may be reported to PAC. Para stands.

D.P. 497 Irregular and un-authorized award of contract.

48. The Committee observed that contract was awarded to a contractor, who had not filed up the tender form. The Department explained that the contractor had submitted the Bill of quantity. The Audit objected that bill of quantity was not signed by any officer. It was also noticed that (73) tenders were shown to have be received in one day. This was also doubtful.

49. The Committee recommended that Audit as well as the Administrative Department should calculate losses and the Administrative Department was directed to recover the losses from the S.E and XEN concerned within three months failing which departmental/criminal proceedings coupled with recovery, may be initiated against them. Progress may be reported to PAC. Para stands.

D.P. 706 Un-authorized payment of Rs.3,87,415/-.

50. The Additional Secretary, Finance Department submitted that the excess expenditure made by the department was a gross irregularity therefore; he suggested that the entire amount may be recovered from the defaulting officer.

51. The Committee taking a lenient view, recommended that a sum of Rs.2, 00,000/- may be recovered from the Superintending Engineer within three month. Failing which departmental/criminal proceedings, coupled with recovery may be initiated against him. Progress may be reported to the PAC. Para stands.

DP. 542 Irregular payment of Rs. 0.220 million as cost of tender documents and non deduction of income Tax.

52. The Chief Engineer supported the contention of the Audit and proposed that Rs. 22,000/- may be recovered from the consultant.

53. In view of the above the Committee directed the Department that the amount may be recovered from M/S Nespak (consultant) within three

months and income tax may also be recovered from him through income tax authority. Progress may be reported to the PAC. Para stands.

DP.470 Un-authorized Payment Of Rs.1.196 million.

54. The Department explained that the items of works which were not cornered in the BOQ were sanctioned under clause 12 with good intention and purely in the interest of Government works. It was requested that the rates allowed under clause 12 were lesser than the prevailing rates. On a query by the chair the Chief Engineer explained that no irregularity has been committed as clause 12 is a valid provision of Rules under which XEN has full powers.

55. In view of the above explanation the Para was recommended to be dropped with the observation that warning may be issued to the concerned officers to avoid un-authorized expenditure in future.

General:

56. The Committee emphasized on the Department that delay in inquiries be strictly avoided and in future all inquiries must be completed within stipulated period.

57. The Committee also directed that the recoveries ordered from various officials should not be considered as adverse entries in the service records, provided the same are deposited within the prescribed time, voluntarily.

58. The meeting was adjourned till 29-07-1997 at 09:30 A.M.

sd/-
(HIDAYATULLAH KHAN CHAMKANI)
Chairman,
Public Accounts Committee.

PROVINCIAL ASSEMBLY OF NWFP.

Tuesday, the 29th July, 1997.

6th sitting of PAC.

Communication & Works Department.

The Public Accounts Committee assembled at 09:50 A.M. in the Conference Room of the Frontier House Abbottabad to continue examination of the Audit Report on the Accounts of Government of NWFP for the year 1994-95 pertaining to Communication and Works Department. The following were present:-

PUBLIC ACCOUNTS COMMITTEE:

1.	Mr. Hidayatullah Khan Chamkani, Speaker.	Chairman
2.	Haji Muhammad Adeel, Deputy Speaker.	Member
3.	Mr. Ali Afzal Khan Jadoon, MPA	Member
4.	Mr. Pir Muhammad Khan, MPA	Member
5.	Mr. Najmuddin, MPA.	Member
6.	Mian Gul Asfandyar Amir Zeb, MPA	Member
7.	Mian Iftikhar Hussain,MPA	Member

AUDIT DEPARTMENT .

1. Mr. Shafiullah Khan,
Director General Audit, NWFP.
2. Mr. Sikandar Khan,
Director Audit, NWFP.
3. Mr. Muhammad Ayaz,
Deputy Director.
4. Syed Mutahir Shah,
Deputy Director.

COMMUNICATION & WORKS DEPARTMENT.

1. Mr. Jamalud Din,
Additional Secretary.
2. Engineer Hazrat Sultan,
Chief Engineer (South).
2. Mr. Muhammad Salim Javed,
Superintending Engineer, Abbottabad.
4. Mr. Muhammad Shafi,
Superintendent Engineer (Building)

5. Mr. Akhtar Gul,
Accounts Officer.

FINANCE DEPARTMENT.

Mr. Zia-ur-Rehman,
Additional Secretary.

LAW DEPARTMENT.

Mr. Aziz Akhter Chughtai,
Secretary to Govt. of NWFP,
Law, Parliamentary Affairs and Human Rights Department.

PROVINCIAL ASSEMBLY.

1. Mr. Nazir Ahmad,
Additional Secretary-I.
 2. Mr. Muhammad Mushtaq,
Additional Secretary-II.
 3. Mr. Amanullah,
Deputy Secretary-I.
2. The Meeting commenced with recitation from the Holy Qura'n followed by translation.

DP.545 Irregular credit of Rs.1.663 million to PW Deposit.

3. The Department explained that departmental proceeding were under process against the concerned office, however, the Additional Secretary C&W Department submitted that its finalization would take about three months period.
4. In view of the explanation of the Department the para was recommended to be dropped with the direction that enquiry must be completed within three months and report submitted to PAC.

DP.807 Irregular expenditure of Rs. 55.349 million without technical sanction.

5. The Department admitted that the work in question was done in absence of technical sanction and detailed cost estimate, to according to the Chief Engineer was being pursued and as such, he requested for some more time. The Finance and Law Departments termed it a serious irregularity and requested for stern action against the concerned officer of the Department. The Chief Engineer C&W stated that although it was the normal practice, however, he assured that this practice would not be repeated again.

6. The Committee observed that irregularity was of serious nature and established as well. As the matter involved a huge amount hence no lenient view could be taken. The Committee, therefore, directed the Department that all the concerned officers should be charge sheeted so that in future strict compliance of the law could be ensured. Progress may be reported to the PAC. para stands.

DP.796 Irregular expenditure of Rs. 11.102 million.

7. The Department explained that technical sanction had been obtained later on. The Committee directed the Department that action may be taken as per DP. 807. Para stands.

DP. 813 Irregular expenditure of Rs. 9,07,987/- on repair of 9 Bungalows.

8. After detailed discussion the Committee directed the Department that warning may be issued to the concerned staff to avoid such type of irregularity in future.

9. The chairman also directed that in order to avoid the expenditure of such a huge amount in future for repairs on one building the funds for maintenance of Government buildings should be distributed in equitable manner. The department as well as the Members of the PAC may furnish proposals to the Assembly Secretariat for consideration by the Committee. With the above observation, the para was recommended to be dropped.

DP.786 Irregular excess expenditure of Rs.1.957 million over and above the BOQ/estimated cost.

10. In view of the explanation of the Department that ex-post facto sanction for enhancement of contract agreement had been accorded the Committee recommended that the para may be dropped.

D.P. 814 Irregular payment of Rs.8,09,000/- to D.I.G Police.

11. The Department explained that payment of Rs.8,09,000/-on account of cost share of residence and guard room was made to the D.I.G Police Malakand on the directive of Govt. issued vide P&D department No. P&D/T&G/189/1081 dated 15/04/1988.

12. The members were of the view that the para relates to D.I.G Police as he had allegedly drawn the amount and deposited in his current account No. 218 which is violation of G.F.R as contended by the Finance Department. They opined that the para should have been reflected against Police Department instead of C&W Department.

13. The contention of the Department was vehemently apposed and according to the Finance Department it was a clear violation of Rules.

Therefore, the Committee directed that warning may be issued that in future such type of irregularity should not be repeated. At the same time the Police Department and D.I.G Police were directed that they being law enforcing agency must abide by the law and if any such thing was repeated, strict action would be taken against them. With the above observation the para was recommended to be dropped.

D.P. 853 Irregular payment of Rs.0.997 million in absence of land award statement/actual payees receipts.

14. The Department explained that a sum of Rs.65,000/- as land award statement and actual payees receipt had been verified by the audit. With regard to the rest of the amount the Department explained that the matter was subjudice.

15. The committee recommended that the matter being subjudice may be dropped.

DP.716 Irregular expenditure of Rs. 17.993 million and Rs.84.904 million over and above P.C-1.

16. On the request of the Department the Committee directed that the matter may be discussed in the DAC first and subsequently it may be submitted to PAC. Para stands.

DP.717 Un-authorized payment of Rs.5,18,093/- to contractor on account of arbitration award.

17. On the request of the Department the Committee directed that the matter may be discussed in the DAC first and subsequently it may be submitted to PAC. Para stands.

DP.857 Un-authorized excess payment of Rs. 0.366 million over BOQ/estimate.

18. In view of the explanation of the department that technical sanction had been obtained, therefore, the committee recommended that the para may be dropped.

D.P.649 Doubtful expenditure of Rs.0.720 million.

19. In view of the explanation of the department the para was recommended to be dropped with the observation that in future such type of irregularity should not be repeated and Rules to be strictly followed.

D.P.617 Un-authorized payment to the contractor.

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

D.P.782 Doubtful payment of Rs.45,600/-.

21. The Department explained that total amount had been recovered and enquiry had been conducted under which certain officers/officials were held responsible.

22. The Committee directed the Department that the officers/officials held responsible in the enquiry report, my be charge sheeted and strict disciplinary action may be initiated against them progress may be reported to PAC, para stands.

D.P.646 Blockade of Government money/un-necessary purchase of store valuing Rs.22.331 million.

23. The Department explained that an enquiry had been ordered but the enquiry officer who was present in the meeting submitted that the record were lying with the special judge Anti-Corruption due to which he was unable to finalize the enquiry.

24. The Committee directed the Department that they should approach Anti-Corruption Department to facilitate the inspection of the relevant record and get copies of the documents for availability to PAC. The enquiry officer was directed to expedite the enquiry and submit its report to PAC. In such cases the Department is directed to invariably obtain copies of the record from the court of special judge anti-Corruption well before coming to PAC. para stands.

D.P.548 Difference of Rs. 3.516 million under Misc: PW advances between the figures of A.G's office and of the Department.

25. In view of the explanation of the Department that record being old has been destroyed by A.G. the para was recommended to be dropped with the direction that the Department and A.G. should do the reconciliation in time. In future the PAC would not tolerate any delay in reconciliation figures on the part of any department and strict action would be taken against the concerned Department.

D.P.546 Excess payment of Rs.0.118 million for execution of work over and above the estimate.

26. The Department accepted the objection of the audit. the Committee directed the Department that Rs.50,000/- each may be recovered from the SDO and Sub-Engineer within three months, failing which departmental/criminal proceedings, coupled with recovery, may be initiated against them because they have violated the orders of S.E. progress may be reported to PAC. Para stands.

D.P. 597 Un-authorized generation of funds amounting Rs. 65.160 million.

27. In view of the explanation of the Department the para was recommended to be dropped with the direction that in future un-authorized generation of funds be strictly avoided.

D.P.650 Un-authorized expenditure of Rs. 8.652 million on account of numerous cheques.

28. In view of the explanation of the Department the para was recommended to be dropped with the direction that no such practice be repeated in future.

D.P.657 Irregular payment of Rs.25,00,000/- on account of construction of shingled road.

29. In view of the explanation of the Department the para was recommended to be dropped with the observation that such type of irregularity should not be repeated in future.

D.P.632 Fictitious adjustment.

30. The para was recommended to be dropped with the observation that in future parallel budgeting should be avoided.

D.P.655 Unauthorized generation of funds.

31. The para was recommended to be dropped with the observation that in future parallel budgeting should be avoided.

D.P.735 Fictitious issue of store for Rs. 3.191 million to avoid lapse.

32. The Committee recommended that the para may be dropped with the direction that legislative powers should not be exercised by the Department in future.

D.P.670 Fictitious issue/adjustment of store valuing Rs.301,123/-.

33. The committee recommended that the para may be dropped with the direction that legislative powers should not be exercised by the Department in future.

D.P.704 Unauthorized generation of funds.

34. The Committee recommended that the para may be dropped with the direction that legislative powers should not be exercised by the Department in future.

D.P. 734 Parallel budgeting.

35. The Committee recommended that the para may be dropped with the direction that legislative powers should not be exercised by the Department in future.

D.P. 811 Irregular and unauthorized generation of funds for Rs.1,50,94,012/-.

36. The Committee recommended that the para may be dropped with the direction that legislative powers should not be exercised by the Department in future.

D.P.780 Fictitious expenditure.

37. The Committee recommended that the para may be dropped with the direction that warning may be issued to the concerned officer to strictly follow the Rules in future.

D.P.784 Fictitious payment of Rs.13.901 million through cheques subsequently cancelled.

38. The para was recommended to be dropped with the direction that the powers of legislative should not be exercised.

D.P. 808 Un-necessary release of funds.

39. The Committee recommended that the para may be dropped and the Finance Department be warned not to release funds without formal demand from the Department in future.

D.P.409 Fictitious adjustment of funds amounting to Rs. 670,535/- and illegal expenditure there from.

40. In view of the explanation of the department the para was recommended to be dropped.

D.P.862 Fictitious adjustment of Rs. 0.462 million on acquisition of land.

41. The Committee recommended that the para may be dropped and directed that such practice may be avoided in future.

D.P.461 Miss-classification of expenditure of Rs. 4.281 million.

42. The Department explained that out of 5 cases, enquiry in one case had been conducted and the XEN, SDO and District Accounts Officer were held responsibility by the enquiry officer.

43. The committee directed the Department that the officers may be charge sheeted accordingly and disciplinary action may be taken against them, similarly the Committee directed that in all other cases enquiry may be conducted and disciplinary action may be initiated against the defaulting officers. Progress may be reported to the PAC. Para stands.

D.P.800 Miss-classification of expenditure of Rs. 256,000/-

44. The Department explained that the vehicle was purchase in the interest of the Public work. In view of the above the para was recommended to be dropped.

D.P. 561 Shortage of store valuing of Rs.0.155 million.

45. The Department explained that inquiry in this case had been ordered the result of which was still awaited.

46. After detailed discussion, the Committee directed the Department that amount of Rs.1,07,000/- may be recovered from the XEN at fault within three months, failing which departmental/criminal proceedings, coupled with recovery may be initiated against him. Progress may be reported to PAC. Para stands.

D.P. 765 Undue advantage and irregular expenditure of Rs.1.394 million.

47. The Committee observed that the tenders for the purchase of fans were floated in a local and unknown newspaper. They opined that floating tenders in a un-famous and un-reputed newspaper proves the malafide intentioned of the Department.

48. In response, the Department explained that the tenders were given in the newspaper by the information Department.

49. The Committee directed that the information Department should float such tenders in leading newspapers in accordance with the instructions of the Government.

50. In view of the above the para was recommended to be dropped.

D.P.412 Un-authorized adjustment of excess over allotment and non clearance of Rs.0.200 million laying in misc: P.W. Advances.

51. After detailed discussion the Committee directed the Department that recovery of Rs.1, 99,670/- may be made from the SDO concerned with three months, failing which departmental/criminal proceedings, coupled with recovery may be initiated against him. Progress may be reported to PAC. Para stands.

D.P. 750 Non production of stock register.

52. The Department explained that the Storekeeper concerned had already been dismissed from service and FIR lodged against him. Further inquiry was in progress. The Committee directed the Department to finalized the inquiry within three months and submit its report to the PAC. Moreover, the SDO and Sub Engineer who were incharge of the store at that time to be proceeded against under the E&D Rules for negligence on there part. Progress may be reported to PAC. Para stands.

D.P. 789 Excess expenditure of Rs.1.26 million due to irregular award of work.

53. The Department explained that inquiry had been conducted and Mr. Abdul Nasir, XEN and Said Ahmad, Head clerk had been held responsible.

54. The Committee directed that further action may be taken against them under the E&D Rules and progress be reported to PAC. Para stands.

D.P. 779 Excess/un-authorized expenditure of Rs.1.275 million and non forfeiture of earnest money.

55. Deferred with the direction that result of enquiry as ordered by the Chief Minister may be submitted to the audit and PAC. Para stands.

D.P.788 Un-authorized/excess and fictitious expenditures of Rs.0.474 million.

56. The Committee directed the Department that excess expenditure of Rs.4, 74,323/- may be recovered from the XEN concerned within three months, failing which departmental/criminal action, coupled with recovery, may be initiated against him. Progress may be reported to the PAC. Para stands.

D.P.783 Non crediting of Rs.2.794 million to Government Revenue.

57. In view of the explanation of the Department the Committee recommended that the para may be dropped.

D.P.859 Non crediting of money to Government Revenue.

58. In view of the explanation of the Department the Committee recommended that the para may be dropped.

D.P.781 Double payment of Rs.0.153 million.

59. In view of the explanation of the Department the Committee recommended that the para may be dropped.

D.P.855 Non production of Auditable record.

60. In view of the explanation of the Department the Committee recommended that the para may be dropped subject to production of original record to the Audit.

61. The meeting was adjourned till 31-07-1997 at 09:30 A.M.

Sd/-
(HIDAYATULLAH KHAN CHAMKANI)
Chairman,
Public Accounts Committee.

PROVINCIAL ASSEMBLY OF NWFP.

Thursday, the 31st July, 1997.

7th sitting of PAC.

BOARD OF REVENUE.

The Public Accounts Committee assembled at 09:50 A.M. in the Conference Room of the Frontier House Abbottabad to examine the Audit Report on the Accounts of Government of NWFP for the year 1994-95 pertaining to Board of Revenue Department. The following were present:-

PUBLIC ACCOUNTS COMMITTEE:

1.	Mr. Hidayatullah Khan Chamkani, Speaker.	Chairman
2.	Haji Muhammad Adeel, Deputy Speaker.	
3.	Mr. Ali Afzal Khan Jadoon, MPA	Member
4.	Mr. Pir Muhammad Khan, MPA	Member
5.	Mian Gul Asfandyar Amir Zeb, MPA	Member
6.	Mian Iftikhar Hussain, MPA	Member
7.	Syed Muhammad Sabir Shah, MPA	Member
8.	Nawabzada Mohsin Ali Khan, MPA	Member

AUDIT DEPARTMENT .

1. Mr. Shafiullah Khan,
Director General Audit, NWFP.
2. Mr. Sikandar Khan,
Director Audit, NWFP.
3. Mr. Dost Ali Shan,
Deputy Director.
4. Syed Mutahir Shah,
Deputy Director.

Board of Revenue.

1. Malik Abdur Rahim Khan,
Senior Member-11 Board of Revenue.
2. Mr. Shahrukh Arbab,
Deputy Commissioner, Kohat.
3. Mr. Khalid Pervez,
Deputy Commissioner, D.I.Khan.
4. Mr. Khizar Hayat,
Deputy Commissioner, Charsadda.

5. Mr. Qaim Kan,
Deputy Commissioner Lakki.
6. Mr. Treayat Khan,
Deputy Commissioner Abbottabad.
7. Mr. Ziarat Khan,
Deputy Commissioner Mardan.
8. Mr. Hussain Nasir Jamy,
ADC, Swat.
9. Mr. Asfar Manzoor,
Assistant Commissioner, Chitral.
10. Mr. Shakirullah,
Assistant Commissioner, Buner.

FINANCE DEPARTMENT.

1. Mr. Amjad Nazir,
Additional Secretary.
2. Mr. Rashid Ahmad,
Deputy Secretary.

LAW DEPARTMENT.

Mr. Muhammad Shaukat,
Deputy Secretary.

PROVINCIAL ASSEMBLY.

1. Mr. Nazir Ahmad,
Additional Secretary-I.
2. Mr. Muhammad Mushtaq,
Additional Secretary-II.
3. Mr. Amanullah,
Deputy Secretary-I.

2. The Meeting commenced with recitation from the Holy Quran followed by translation.

DP.88 Non production of record- embezzlement of Rs. 1.036 Million.

3. The Department explained that a sum of Rs. 10,36,260/- was mis-appropriated out of which a sum of Rs. 2 lacs had already been recovered.

It was submitted that according to the preliminary enquiry conducted by the EAC, Abbottabad Junior Clerk, (the reader of STM) was held responsible for mis-appropriation of Government money, as a result, the said clerk was removed from service. The SMBR further explained that the case was under trail in the Court of Law.

4. The Committee noted with grave concern that the department failed to conduct enquiry after the lapse of 4 years. On a query by the Chairman, the SMBR categorically stated that the STM was also responsible for the mi-appropriation because of negligence and lack of supervision.

5. After detail discussion, the committee recommended and directed the Department that the balance amount may be recovered from the concerned reader within 3 months positively and warning may be issued to Deputy Commissioner and STM concerned for not performing their duties according to Rules. The Department was also warned for slackness shown in conducting enquiry.

6. The SMBR was further directed by the Committee to hold enquiry within 3 months either personally or through a responsible officer not below the rank of Deputy Commissioner and result of the enquiry be reported to the PAC. Para stands.

D.P.83 Outstanding Government dues amounting to Rs. 115.615 million on account of Abiana, disputed land and execution of kamara works.

7. The Audit pointed out that in the officer of Deputy Commissioner, Mardan a sum of Rs. 47.801 million was outstanding against various persons on account of abiana etc, during the year 1993-94. No effective steps seemed to have been taken for recovery of the Government dues.

8. The Department explained that huge amount had been recovered. The Committee appreciated the efforts of the Deputy Commissioner concerned for recovery of the amount and directed that hon'ble Chief Minister may be apprised of the efficiency of the Deputy Commissioner concerned. The Committee recommended and directed that the balance amount may be recovered within three months.

9. In view of the above it was recommended that the para may be dropped subject to verification of the recovered amount by the Audit.

D.P. 89 Recovery of outstanding government dues worth Rs. 14.379 million on account of Abiana

10. The Department explained that a sum of Rs. 45, 48,889/- had been recovered and the balance amount Rs. 98, 00,000/- lying undisputed would be recovered within six months.

11. The Committee directed the Department that the amount recovered may be got verified through audit and the remaining amount may be recovered within 6 months, as requested by the SMBR and progress be reported to PAC, failing which departmental/criminal action coupled with recovery may be taken against the concerned officer. Progress be reported to PAC. Para stands.

D.P. 8 Outstanding amount Rs. 10,246,449/- on account of Abiana.

12. The Department explained that a sum of Rs. 5,30,45,500/- had been recovered and efforts were being made to recover the balance amount of Rs. 49,41,949/-. The Deputy Commissioner D.I Khan who was fully prepared briefed the Committee on the factual position and hardships faced by him in recovery of outstanding Abiana.

13. The Committee recommended and directed the department that recovery of the balance amount may be made within 9 months and the case of remission sent by the deputy Commissioner to Board of Revenue may be processed immediately.

D.P. 77 Loss of Rs. 35.000 million to Government.

14. The Deputy Commissioner Buner explained that the case was under trail in the court of senior Civil Judge and next hearing would be held on 03-09-1997. The SMBR stated that in the absence of any specific orders or stay from any court, recovery was required to be made from the concerned tenants. The Law Department opined that legally recovery could not be made from the said tenants.

15. After detail discussion, it was decided that in the absence of any stay order of the court, the representatives of the Law, SMBR and Director General Audit should sit together and sort out factual position within 3 months and progress be reported to PAC. Para stands.

D.P.106 Outstanding amount of Rs.48,37,862/- on account of Abiana.

16. The department explained that a sum of Rs.17,93,128/68 has been recovered and deposited in the Government treasury and verified by the Assistant Accounts Officer Makakand. Special campaign had also been started to recover the balance amount.

17. After detail discussion, the Committee recommended and directed the Department that the balance amount may be recovered within six months period and the amount already recovered may be got verified by the audit. Progress be reported to PAC. Para stands.

D.P.10 Unspent balance of Rs.2.512 million.

18. The Deputy Commissioner D.I.Khan explained that un-spent balance had been reduced to Rs.3,82,931/- upto 01/1997 for which sanction for the execution of kamara works had already been accorded.

19. In view of the plausible explanation of the Department the para was recommended to be dropped with the observation that the amount recovered may be got verified by the Audit.

D.P.66 Recovery of Rs.1,52,134/- on account of Abiana.

20. The Department explained that stay was granted by the competent court in 1991.the Law Department pointed out that the stay was automatically vacated after six months period and it had become infructuous.

21. In view of the above, the committee recommended and directed the Department that the amount of arrears may be recovered within six months. Subject to the above observation the para was recommended to be dropped.

D.P.64 Purchase of land for establishment of Elementary College (male) Charsada loss of Rs.3.347 million.

22. The Deputy Commissioner Charsadda explained that the land was acquired by the Director primary Education on private negotiation with the land owner. The SMBR admitted that the rate was changed through a revised PC-1 however he stated that the matter related to Education Department.

23. The Deputy Director Education explained that the first site was not purchased due to certain dispute amongst the owners and that the present land was purchased on the direction of the then Chief Secretary. However it was stated that the land was acquired by the Education Department and the rate was fixed by the Revenue Department

24. The committee observed that there was high bungling in the purchase of land, therefore, the para was deferred and it was decided that an enquiry be conducted by a team consisting of BOR. Audit. A.G. Finance and Law department to fix responsibility within three months and report be submitted to the PAC. The Accountant General is directed not to take the case lightly and nominate his representative immediately so that actual position could be brought before the Committee. Para stands.

D.P.05 Drawal of pay for excess posts Rs.0.234 million.

25. The Committee was informed that letter of 1941 regarding authorizing the Deputy Commissioner to appoint temporary establishment for Kamara works was not shown to Audit. The Deputy commissioner was

directed to give a copy of the said letter to Audit Department from the discussion it transpired that irregularity had been committed.

26. The Committee took lenient view as the Deputy Commissioner stated that Budget was available and no excess was made. The Committee further directed that rules and regulations should be strictly implemented. The Finance Department was also directed to clear the present position of their letter of 1941. In view of the above observation the Para was recommended to be dropped.

DP.07 Overpayment of Rs. 0.063 million on accounts of un-authorized promotions from the posts of patwari to post of District Revenue Accountant BPS-14.

27. The Committee observed that as for as the appointment of DRA was concerned an enquiry was conducted and it was held that the appointment was made in accordance with the recommendation of the Department promotion committee with regard to payment with retrospective effect, was not covered under any law, the committee recommended and directed the Department that the amount of Rs. 62,614 may be recovered from the official concerned within six months failing which departmental/criminal action coupled with recovery may be taken against the defaulter. Progress may be reported to PAC. Para stands.

DP. 76 Un-authorized deposit of Rs. 44.768 million in Bank account/P.L.A.

28. in view of the explanation of the Department, the para was recommended to be dropped with the direction that provisions of GFR should strictly be followed in future.

D.P.65 Un-authorized deposit of Rs.4.427 million in Bank Account.

29. In view of the Explanation of the Department the para was recommended to be dropped with the observation that General Financial Rules must be followed in future.

DP.04 Un-authorized deposits of land compensation Rs. 4.057 million in a Bank.

30. In view of the explanation of the Department, the para was recommended to be dropped with the direction that the provision of GFR should strictly be followed in future.

D.P.80 Un-authorized deposits of provincial transactions in Federal P.L.A.

31. The SMBR explained that the amount had been deposited in the revenue account, and a case for opening of PLA was sent to Accountant General Office on 17-10-95, but no positive response had been received from

the quarter concerned. The Committee directed the Department to pursue the case with the A.G. vigorously and the A.G. is directed to decide the issue one way or the other. Progress may be reported to Audit within one month. With the above observation the Para was recommended to be dropped.

DP.02 Lease of Rest Houses to P.T.D.C. loss of Rs. 3.470 million.

32. During the course of discussion, it transpired that the Provincial Government had suffered an great loss in the lease in question, the committee, therefore recommended that after examining the case from every angle, and working out all the details of losses and profits involved, the Department may examine the possibility or otherwise taking over of the said rest houses by the Sarhad Tourism Corporation on reasonable lease. The Committee also recommended that in case there was no apprehension of greater loss in this case, the lesser may rescind the fresh contract agreement as per Rules. In this connection complete case may be submitted to the Chief Minister.

33. With the above observation the para was recommended to be dropped.

D.P.101 Un-authorized expenditure on account of establishment charges of canal Clearance Fund Rs. 0.049 million.

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

D.P.73 Excess expenditure of Rs. 0.066 Million on account of Residential telephone charges.

35. The Department explained that as reported by Deputy Commissioner, Dir, efforts were being made to recover the amount from the concerned officer.

36. The Committee after detail discussion recommended and directed that recovery may be effected within a month, failing which departmental/criminal action coupled with recovery may be initiated against the defaulter and progress reported to PAC. Para stands.

D.P. 84 Excess expenditure of Rs.0.063 million on Residential Telephone.

37. The Department explained that as reported by Deputy Commissioner, Mardan, an amount of Rs.47,927/- had been recovered and efforts were being made to recover the balance amount of Rs.14,744/-.

38. After detail discussion the committee recommended and directed the Department that recovery may be effected within a month, failing which departmental/ criminal action coupled with recovery may be initiated against the defaulter and progress be reported to PA. para stands.

DP. 78 Un-necessary retention of Government money amounting to Rs. 2,00 million.

39. The Department explained that as reported by the Deputy Commissioner, Buner, a sum of Rs. 72,747/- was still laying un-disbursed due to absence of the land owners. The owners were being located and payment would be made accordingly.

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

D.P.75 Retention of un-spent balance Rs.0.187 million.

41. The Department explained that the amount had been deposited in the Revenue Deposits, in view of the above explanation the para was recommended to be dropped.

D.P. 90 Doubtful payment of Rs. 8.810 million on account of flood relief.

42. It was contended by the department that the cheques were issued by the Deputy Commissioner under his own signature and disbursement was made properly. The audit objected that it was clear violation of Rules because quite a few persons out of the list of “Mustahigeen Zakat” were chosen for compensation.

43. The Committee directed the Department that in future Rules must be followed in letter and spirit. With the above observation the para was recommended to be dropped.

D.P.102 Non execution of Kamra Works Rs.0.800 million.

44. In view of the explanation of the Department the para was recommended to be dropped subject to verification by the Audit and with the direction that in future relevant record must be produced to Audit.

DP.74 Drawal of House Rent allowances/non recovery of room rent Rs.0.055 million.

45. The Department explained that the amount had been recovered, therefore the committee recommended that the para may be dropped subject to verification by the Audit.

D.P.103 Collection of revenue remission etc, amounting to Rs.1.215 million.

46. The Deputy Commissioner Bannu explained that Prime Minister and the Chief Minister announced for remission of Abiana, but the

case was not taken up by the concerned Deputy Commissioner with the BOR in time. He categorically admitted the fault of the then Deputy Commissioner.

47. After detail discussion the committee recommended that the para may be dropped with the direction that prompt action be taken on the directives of the Prime Minister and Chief Minister in future.

D.P.79 Loss of Rs.0.134 million to Government due to lease of fertile land measuring 23 acre in dargai.

48. The department explained that the law regulating evacuee property in settled districts have not been extended to Malakand Agency and the matter in this context was still under correspondence with the Home and T.As department

49. The Committee after detail discussion deferred consideration of the para and directed the Department that the case may be taken up with the provincial Government for issuance of necessary notification in this regard and PAC be informed of the progress. Para stands.

D.P.87 Loss of Rs. 0.316 million due to non recovery of House Rent.

50. The Department explained that a sum of Rs.75701/- had been recovered, while cases of the remaining ones sent to Revenue Officer to effect recovery of the same as arrear of land revenue.

51. The Committee, after detail discussion directed that recoverable amount may be got settled by got settled by the Audit and the Department concerned mutually and recovery of the house rent to be made as per Rules and progress be reported to PAC. Para stands.

D.P.124 Wasteful expenditure of Kamara works Rs.9.024.

52. In view of the explanation of the Department the para was recommended to be dropped with the direction to furnish detail accounts to Audit for verification well in time.

53. The meeting was adjourned till 02-08-1997 at 09:30 A.M.

Sd/-
(HIDAYATULLAH KHAN CHAMKANI)
Chairman,
Public Accounts Committee.

PROVINCIAL ASSEMBLY OF NWFP.

Saturday, the 2nd August, 1997.

8th sitting of PAC.

EDUCATION DEPARTMENT.

The Public Accounts Committee assembled at 09:45 A.M. in the Conference Room of the Frontier House Abbottabad to examine the Audit Report on the Accounts of Government of NWFP for the year 1994-95 pertaining to Education Department. The following were present:-

PUBLIC ACCOUNTS COMMITTEE:

1.	Mr. Hidayatullah Khan Chamkani, Speaker.	Chairman
2.	Mr. Ali Afzal Khan Jadoon, MPA	Member
3.	Mian Gul Asfandyar Amir Zeb, MPA	Member
4.	Mian Iftikhar Hussain, MPA	Member
5.	Nawabzada Mohsin Ali Khan, MPA	Member

BY SPECIAL INVITATION:

Mr. Muhammad Hashim Khan.
Minister for Education.

AUDIT DEPARTMENT .

1. Mr. Shafiullah Khan,
Director General Audit, NWFP.
2. Mr. Sikandar Khan,
Director Audit, NWFP.
3. Mr. Dost Ali Shan,
Deputy Director.
4. Syed Mutahir Shah,
Deputy Director.

EDUCATION DEPARTMENT:

1. Lt.Col: Alamzeb.
Secretary to Government of NWFP.
Education Department.
2. Mr. Jalat Khan.
Additional Secretary.
3. Dr. Sardar Ali,
Vice Chancellor,
Gomal University, D.I. Khan.
4. Haji Sarfaraz Khan,
Director,

- Primary Education, NWFP.
5. Mr. Amir Badshah,
Section Officer (Accounts).
 6. Mr. Muhammad Zaman,
Section Officer (Primary).
 7. Mst. Sanjida Akhtar,
S.D.E.O. (F), Mardan.
 8. Mst. Saeeda Akhtar,
S.E.E.O. (F), Charsadda.
 9. Mst. Zakia Jabeen,
S.D.E.O. (F), Kohistan.
 10. Mst. Bibi Khanum,
S.D.E.O. (F). D.I. Khan.

FINANCE DEPARTMENT.

1. Mr. Amjad Nazir,
Additional Secretary.
2. Mr. Rashid Ahmad,
Deputy Secretary.

LAW DEPARTMENT.

Mr. Muhammad Shaukat,
Deputy Secretary.

PROVINCIAL ASSEMBLY.

1. Mr. Nazir Ahmad,
Additional Secretary-I.
 2. Mr. Muhammad Mushtaq,
Additional Secretary-II.
 3. Mr. Amanullah,
Deputy Secretary-I.
2. The meeting commenced with recitation from the Holy Quran followed by translation.

D.P. 572 Embezzlement of Rs.5.007 million in pay and allowances.

3. The Secretary to Government of NWFP Education Department explained that final report of departmental enquiry conducted against officers/officials involved in the embezzlement had been submitted to the Chief Minister on 19-06-1997 for imposition of major penalties on four officers i.e. DEO (F), SDEO (F), SDEO (A), and Senior Clerk for their removal from service and two officials had been recommended for major penalty i.e. stoppage of five increments. The Committee directed the Department that the Chief Minister may be requested to decide the summary at

his earliest convenience submitted to him by the Education Department in this respect to avoid legal implications.

4. The then SDEO, Nowshera objected that the total amount was not Rs.67 lacs rather it was less than that amount. The SDEO was directed to submit documents to Audit for verification of the actual amount.

5. In reply to a query regarding future precautionary/corrective measures, the Secretary informed the Committee that training programme on administration as well as accounts sides had been launched, which would be pre-requisites for future posting of DEOs and SDEOs.

This action of the Department was appreciated by the Committee. The committee asked as to what action was taken by the Department for the recovery of embezzled money from the defaulters. The Secretary replied that after establishment of the charges, the accused officers/officials would be preceded accordingly by lodging FIRs against them through Anti-Corruption Department. The Committee was of the view that beside departmental action the case should have been referred to Anti-Corruption Department for initiating necessary action. To a question by Nawabzada Mohsin Ali Khan, MPA, the Law Department clarified that in this connection, under the Rules; the Department should have first lodged F.I.R. and approached Anti-Corruption Department simultaneously. The Secretary admitted the negligence on the part of the Department in this respect.

After detail discussion, the Committee recommended that.

FIRs against the accused officers/officials be immediately lodged for proper criminal proceedings.

Recovery from the defaulting officers/officials may be made within three months positively.

Finalize the departmental proceedings already initiated. The Chief Minister may be requested to decide the summary already sent to him at his earliest convenience so as to avoid legal complications in future course of action.

The Director of Education Primary be censured for negligence on his part under the E&D Rules, 1973.

Progress may be reported to PAC. Para stands.

D.P. 549 Embezzlement of public money amounting to Rs.0.984 million.

9. The Department explained that an enquiry Committee had been constituted. But the record was lying with the Anti-Corruption Department due to which the enquiry could not be finalized.

10. However the Secretary of the Department stated that total amount of Rs.2, 15, 000/- had been recovered and deposited through six various challans, but the Audit Department contended that total recovery had

not been made for the reason that the record were lying with Anti-Corruption Department.

11. The Committee observed that the copies of the documents could easily be obtained from any court of law. Unless the documents were privileged one. The explanation of the Department that record was not available, as the same were lying with the Anti-Corruption Department, did not bear any force, as such; no excuse in future would be accepted. Both the representatives of the Audit and the Department should verify from the court concerned the actual amount embezzled and if the contention of the Department was true that the recovery was made in full, the para may be dropped in that case only.

12. During the course of discussion the Committee also observed that there might be some more cases of embezzlement in the Education Department which needed thorough and detailed Audit. Nawabzada Mohsin Ail Khan, MPA proposed that a special team may be constituted by the Department to carry out detailed Audit. In response, the Director General Audit told that due to meager resources through audit of the Department could not be made. He submitted that there were 2700 formations and the Audit Department in routine could hardly carry out two months test audit of four hundred formations only in a year. He added that the Auditor General of Pakistan had already been requested for provision of sufficient staff. On his request, it was decided that a letter may be sent to the Auditor General of Pakistan from the Chairman of the PAC requesting him to provide sufficient resources for the fulfillment of the purpose. Furthermore, he may also be requested to constitute a special team to carry out detail audit of the Education Department. The Department was also directed to carry out their internal audit through efficient and honest persons. Progress may be reported to PAC.

D.P. 03 Overpayment of Rs.1.199 million due to allowing incorrect increment.

13. The Department explained that full recovery of Rs.11.99.000/- had been made in pursuance of the directive of the PAC.

14. In view of the explanation of the Development the para was recommended to be dropped subject to verification by the Audit.

D.P. 15 Overpayment of Rs.0.604 million.

15. The Department explained that only an amount of Rs.11, 880/- was lying outstanding and the rest had already been recovered. The Department assured that the balance amount would be recovered in monthly installments i.e. at the rate of 1/3rd of the pay of the concerned employees as per Rules.

16. The Committee recommended and directed that the balance amount of Rs.11880/- as assured by the Department, be also recovered accordingly and progress reported to PAC. The amount already recovered may

be got verified by the Audit. Subject to the above observation, the para was recommended to be dropped..

D.P. 17 Over payment of Rs.243,907/-.

17. The Department explained that recovery of sufficient amount had been made and assured that the balance amount would also be recovered. The Committee recommended that the balance amount may be recovered and got verified by the Audit.

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

D.P. 02 Over payment of Rs.0.054 million due to variation of pay between pay bill and service books.

19. The Department explained that recovery had been made. In view of the above the para was recommended to be dropped. However, the Committee took serious note of the fact that an enquiry, as submitted by the Department, was ordered in April, 1996, but the Enquiry Officer had failed to complete the same so far.

20. The Committee directed the Secretary of the Department to call for the explanation of the Enquiry Officer and complete the enquiry and report within one month to PAC. Moreover, the recovery made may be got verified by the Audit.

D.P.01 Overpayment of Rs.0.044 million due to variation of pay between pay bill and service books.

21. The Department explained that after checking the relevant documents, it was found that only overpayment of Rs.21.048/0 was made due to clerical mistake and oversight and not 0.044 million as contended by the Audit.

22. The Committee directed that the total amount may be got verified by the Audit and in case the contention of the Audit was correct then the arrears may be recovered but if the plea of the Department was found correct the Para may be considered as dropped.

23. At the same time, during the course of discussion it transpired that the concerned supervising officer had also failed to perform his duties in accordance with Rules and Regulations. The Secretary of the Department stated that he was trying his level best to bring about changes in his Department. The Committee directed that the Secretary must ensure that all his subordinate officers were performing their duties in accordance with the Rules of Business and Procedure.

D.P. 547 Mis-appropriation of Rs.0.241 million due to excess drawl.

24. In view of the plausible explanation, of the Department the Para was recommended to be dropped subject to verification by the Audit.

D.P.05 Mis-appropriation due to less disbursement of pay Rs.81,358/-

25. The Department explained that total amount drawn from treasury in the month of September, 1993 amounting to Rs.20,54,176/- including Rs. 81358/- had totally been disbursed amongst all concerned.

26. After detail discussion, it was recommended that verification may be made by the audit whether the salaries had been disbursed in time and warning may be issued for late disbursement, if any.

27. With the above observation, the Para was recommended to be dropped.

D.P. 10 Suspected Mis-appropriation of Rs.0.076 million.

28. The Audit reported that in the office of SDEO (F) Kohistan, a sum of Rs.76.592/- was drawn on account of pay and allowances and electricity charges during 1993-94, but actual payee receipt were not produced to Audit. Moreover neither the DDO attended the meeting of DAC, held in October, 1995, nor the record could be produced for verification.

29. To a question the Secretary of the department submitted that action for non production of the record and absence of the concerned officials from the DAC meeting, should have been taken at the time. However, it was stated that charge sheet against the official concerned had now been drafted and sent to the Law Department for vetting.

30. In view of the explanation of the Department, the para may be dropped subject to verification by Audit and progress of disciplinary proceedings against the concerned officials may reported to PAC.

D.P. 551. Loss of Rs.4.377 million due to supply and Installation of defective machinery for the Air-conditioning of main library building.

31. The Vice Chancellor explained that the work had been completed and no loss accrued to the Government/University and the Air-conditioning plant was working properly. However, he admitted that procedural irregularity was committed.

32. On the assurance of the Vice Chancellor that such type of irregularities would not be repeated in future, the Committee recommended that the para may be dropped.

D.P 09 LOSS OF RS. 289,517 DUE TO ACCEPTANCE OF HIGHER RATES THAN THE SISTER OFFICE FOR PETTY REPAIR.

33. The Secretary of the Department explained that tender was accepted before the acceptance of tenders by the sister office i.e. SDEO (F) Swat. The variation in rates was natural. There involved time factor, locality of schools, firm/contractor reputation of work and comparative tendency of the dealer concerned on the spot. Moreover the nature and percentage of work carried out by dealer/contractor of this office and sister office was to be taken into consideration. In the sister office, most of the work carried out by the contractor whereas in the office of SDEO (M) Swat the nature of work was mostly different in which time factor was also involved routes whereas, the schools of male side were situated in remote and far flung areas.

34. The Committee after going through the Documents did not agree with the contention of the Department. After detail discussion, the Committee recommended, taking a lenient view a sum of Rs. One lac to be recovered from the defaulting officer within three months, failing which departmental/criminal action coupled with recovery may be initiated against him. Progress be reported to PAC. Para stands.

D.P 543 Un-authorized excess expenditure of Rs. 2.053 million over and above the approved Budget.

Mis-use of developmental grant of Rs.31.361 million.

35. After listening to the arguments put forth by the Vice Chancellor, the Committee came to the conclusion that Rules had been violated but taking into consideration the peculiar circumstances in the University and at the same time keeping in view the resolution passed by the Provincial Assembly in this regard, the para was recommended to be dropped. However, the Committee directed the Vice Chancellor that in future he should be very careful about the Rules and sort out the matter through his own advocacy with the Finance Division and Chancellor of the University to regularize the irregularity.

D.P 545 Un-justified expenditure of Rs. 3.531 million due to grant of House Rent Allowance at higher rates.

36. After detail discussion the Committee reached the conclusion that the amount of Rs.3.531 million was wrongly paid to the employees of Gomal University as House Rent Allowance @ Rs.45%. The Vice Chancellor was directed to get the case of House Rent Allowance @ 45% in respect of the employees of the Gomal University regularized from the Finance Division. Government of Pakistan within 4 months and for future no such payment may be made unless authorized by the Finance Division. In case the University Authorities failed to obtain approval of the Finance Division in respect of the said allowance, the extra amount of Rs.3.531 million to be recovered from the

concerned employees according to Rules. Progress be reported to PAC. Para stands.

The meeting was adjourned till 04-08-1997 at 09:30 A.M.

Sd/-
(HIDAYATULLAH KHAN CHAMKANI)
Chairman,
Public Accounts Committee.

PROVINCIAL ASSEMBLY OF N.W.F.P.

Monday, the 4th August, 1997.

9th Sitting of PAC.

Education Department.

The Public Accounts Committee assembled at 09:50 A.M. in the Conference Room of the Frontier House Abbottabad to continue examination of the Audit Report on the Accounts of Government of NWFP for the year 1994-95 pertaining to Education Department. The following were present:-

PUBLIC ACCOUNTS COMMITTEE:

- | | | |
|----|--|----------|
| 1. | Mr.Hidayatullah Khan Chamkani,
Speaker. | Chairman |
| 2. | Haji Muhammad Adeel,
Deputy Speaker, | Member |
| 3. | Mian Gul Asfandyar Amir Zeb, MPA | Member |
| 4. | Mian Iftikhar Hussain, MPA | Member |
| 5. | Nawabzada Mohsin Ali Khan, MPA | Member |
| 6. | Mr.Muhammad Bashir Khan
Umerzai, MPA | Member |

BY SPECIAL INVITATION:

Mr. Muhammad Hashim Khan,
Minister for Education.

AUDIT DEPARTMENT:

Mr.Shafiulah Khan,
Director-General
Mr.Sikandar Khan,
Director.
Syed Mutahir Shah,
Deputy Director.

EDUCATION DEPARTMENT

Lt. Col. Alamzeb,
Secretary to Government of NWFP,
Education Department.
Mr.Jalat Khan,
Additional Secretary.
Haji Safaraz Khan,
Director,

Mr. Amir Badshah,
Section Officer (Accounts).

FINANCE DEPARTMENT:

Mr. Abdul Siddique,
Additional Secretary.

LAW DEPARTMENT:

Mr. Muhammad Shukat,
Deputy Secretary.

PROVINCIAL ASSEMBLY:

Mr. Nazir Ahmad,
Additional Secretary-I
Mr. Muhammad Mushtaq,
Additional Secretary-II
Mr. Amanullah,
Deputy Secretary-I.

2. The meeting commenced with recitation from the Holy Quran followed by translation.

D.P. 548 Un- authorized issue of store worth Rs. 0.150 million.

3. The Department explained that the store articles were issued to concerned newly sanctioned mosque schools according to the policy. It was added that SDEO was responsible to provide teaching materials to all schools in his jurisdiction for smooth function of educational institution in the interest of public. However, the Secretary categorically stated that no fraud/mis-appropriation had been committed in this case.

4. Nawabzada Mohsin Ali Khan, MPA contended that such funds could not be spent on the items other than that for which it was meant. If it was urgently required, the Department should have taken up the case with the Finance Department for re-appropriation. In the absence of re-appropriation orders, the whole expenditures was un-authorized and illegal, he added. The Committee was of the view that issuance of stores meant for mosques schools to Middle Schools was irregular and not covered by the Rules.

5. The Department contended that the factual position was that the amount had been spent both in mosque and middle schools. The Committee was of the view that the Department should have gone through legal process of re-appropriation, which they failed to do so.

6. After detail discussion the Committee up held that Law was violated by the Department. Taking into consideration the fact that SDEO concerned was since dead, the Para was recommended to be dropped with the

direction that in future strict financial discipline must be observed in letter and spirit.

D.P. 553 Doubtful payment of Rs.0.916 million.

7. The Department explained that Acquaintance Roll was now available and could be examined by the Committee.

With regard to non production of record to audit/DAC, the Department explained that the officer who failed to produce the relevant record for verification had been proceeded against, departmentally. The Secretary contended that just now orders for departmental enquiry have been given and the Enquiry Officer is directed to submit his report by 20th August, 1997 positively. The Committee was of the view that the then Administrative Secretary during his period was negligent in the performance of his lawful duties. The Committee took serious view of negligence on the part of Ex-Secretary Education and directed that displeasure of PAC should be conveyed to him. The Chief Secretary should direct all the Secretaries of the Departments that in future they should not sit only as Administrator in name but in practice. The Education Minister was also requested to issue a circular to this effect that in future every official, who-so-ever he may be should perform his duties in accordance with law, otherwise the Committee would not tolerate such type of irregularity in the shape of clerical mistakes or otherwise.

9. The Chair also waned to Department that in future non compliance of the directives of the PAC would be seriously dealt with. He directed the Secretary to issue instructions to all his subordinate offices for strict compliance.

10, The Para was recommended to be dropped subject to the observation that the Administrative Department and Audit should sit together and verify the record and amount. Progress be reported to PAC.

D.P. 16 Non production of Acquaintance Roll for Rs. 1,553,556/-

11. The Department explained that in October, 1995 during DAC meeting it was directed that documents should be produced within fifteen days to the Director Audit. The Acquaintance Rolls pertaining to advance para were presented on 15-10-95 to the Director Audit. All of them were verified and one Acquaintance Roll was ordered to be replaced because the same was prepared on the form other than the prescribed form, which has now been done. The original copy of the document was now available and could be verified. However, the Secretary agreed that non production of record either to Audit or DAC must be taken as a serious offence by the PAC and the culprits involved must be brought to book, and that he would not protect the thieves.

12. It was contended by the Finance Department that all the Acquaintance Rolls of the previous month should be produced for the current month, otherwise such type of offences would definitely be repeated. The Committee appreciated the straight forwardness of the Secretary Education,

who stated that illegality had been committed and he would not protect thieves in the Department. The Secretary was therefore directed to complete the departmental enquiry by 30th August, 1997 not only about the disbursement in question, but also about the factum of non production of Acquaintance Rolls before the Audit and also anomaly which cropped up during the meeting regarding simply tick () marking on the Acquaintance Rolls without any signature by the Audit. The Committee also directed that in future simple tick mark on the documents by the Audit as contended by the Secretary would not be acceptable. There should be a certificate to that effect by the verifying Audit Officer with his seal and signature.

13. The Committee further directed the Department that the formula devised by Finance Department regarding disbursement of pay and allowances be strictly complied with in future. Progress may be reported to PAC. Para stands.

D.P. 12 Non production of record for Rs. 0.232 million.

14. The Department explained that Acquaintance Rolls had been collected from the concerned pay centers and checked. Which transpired that the amount in question was paid correctly. The Committee observed that it should have been produced to DAC and directed the Department to hold enquiry and get the record, including the cash book verified by the Audit and progress may be reported to the PAC. Para stands.

D.P. 14 Non production of actual payees Receipts worth Rs. 1,23,920 on account of pay and allowances.

15. The Department explained that the amount of Rs. 1,23,920 had been disbursed to real officials and their signatures/thumb impression had been obtained. The Acquittance Rolls have been verified by the ASDEO concerned and attested by the SDEO.

16. Nawabzada Mohsin Ali Khan, MPA suggested for thorough Audit of Education department. Haji Muhammad Adeel, Deputy Speaker suggested that in future Audit must make draft paras against all those officials of Education Department who fail to produce relevant record at the time of Audit.

17. The Committee directed the Department to produce the record to Audit immediately and take disciplinary action against the officer who was responsible for non production of APRs in time. The Finance Department submitted that in future the audit office should invariably give the gist of the advance paras of each formation in the audit report. The Committee further directed the Department that the Audit Report should be made up-to-date. Progress to reported to PAC. Para stands.

D.P. 7 Irregular drawl of Rs. 0.987/- million un-authorized deposit Rs. 957545 in bank and non forfeiture of security of Rs.98700.

18. The Department explained that in pursuance of the decision of DAC an enquiry was conducted and it was established that tenders were invited through press and the lowest tender was accepted. It was added that all codal formalities had been observed in the deal. The enquiry committee checked 109 schools and it revealed that 25% of work was not completed in those schools where the contractor found difficulty. The Department assured that Rs. 95000 as security of the contractor was being forfeited. However the balance amount had also been recovered without interest as the amount in question was deposited in current account.

19. The Committee observed that how thousands of schools were repaired by one contractor in one month as it was not humanly possible. Mr. Muhammad Bahir Khan Umerzai, MPA alleged that funds for petty repairs were invariably embezzled by the SDEOs and in fact no repairs were carried out. The Secretary Education supported the view point of the Hon'ble Member and stated that the entire system needed to be streamlined. The Finance Department contended that irregularity was committed at different stages without specifying the nature of work to be done. The work order was conditional and was not issued at the time of validity. The work done was not certified by SDEO (DDO) or the Head Teacher. Hence the payment made was un-authorized and against the Rules.

20. The Committee noted with grave concern that tenders were opened on 25-01-94, but work orders were issued after 4 months i.e. 09-05-94.

After detail discussion the Committee directed the Department that a fresh enquiry on the following points may be conducted by an enquiry committee consisting of representatives of Education, audit and Finance Departments:-

Why the Government money was drawn without the completion certificate of the work.

Why the money was kept in private account.

Why the work order was delayed for about 4 months.

Whether it was humanly possible for one contractor to complete the work in thousands schools in short span of thirty days.

22. The report of the enquiry committee must be completed within 3 months and submitted to the PAC. Para stands.

D.P. 4 Doubtful expenditure of Rs.232,500/- on account of annual and petty repair.

23. The Department explained that the record regarding detail measurement of items of work done was readily available. However, compliance of DAC decision for production of complete record for

verification by end of November 1995 could not be made due to dispute regarding handing and taking over the charges of the seat which is under trial in the court.

24. After detail discussion the Committee directed the Department that a fresh enquiry may be conducted by an enquiry committee consisting of representatives of Education, Audit and Finance Departments as already decided in D.P. No.7 with the additional term of reference as to why the amount was drawn on 30th June. The responsibility may be fixed and report submitted to PAC.

25. At the same time, the Finance Department was also directed not to release the funds towards the close of the financial year and if released, the department must formally refuse to accept the funds so released at the belated state. Para stands.

D.P. 18 Excess drawl of posts over the sanctioned strength resulting in loss of Rs.430,203/-.

26. The Department explained that detail of record would be submitted to audit for verification. The Committee directed the Department that verification may be made within 15 days and recovery of the actual amount may be made from the concerned SDEO (M) within three months positively, failing which departmental/criminal action coupled with recovery may be initiated against him. Progress may be reported to PAC. Para Stands.

27. The meeting was adjourned till 05-08-1997 at 09:30 A.M.

Sd/-
(HIDAYATULLAH KHAN CHAMKANI)
Chairman,
Public Accounts Committee.

Tuesday, the 5th August, 1997.

10th Sitting of PAC.

FOOD AND AGRICULTURE DEPARTMENT.

The public accounts Committee assembled at 09.50 A.M. in the Conference Room of the Frontier House Abbottabad to examine the Audit Report on the Accounts of Government of NWFP for the year 1994-95 pertaining to Food, Agriculture and Cooperation Department. The following were present:-

PUBLIC ACCOUNTS COMMITTEE:

- | | | |
|----|---|----------|
| 1. | Mr. Hidayatullah Khan Chamkani,
Speaker. | Chairman |
| 2. | Mian Gul Asfandyar Amir Zeb, MPA | Member |
| 3. | Mian Iftikahr Hussain, MPA | Member |
| 4. | Nawabzada Mohsin Ali Khan, MPA | Member |
| 5. | Mr. Muhammad Bashir Khan Umerzai, MPA | Member |

AUDIT DEPARTMENT:

Mr. Sahfiullah Khan,
Director-General.
Mr. Sikandar Khan,
Director.
Syed Mutahir Shah,
Deputy Director.
Mr. Dost Ali Shah,
Deputy Director.

FOOD, AGRICULTURE AND COOPERATION DEPARTMENT.

Mr. Muhammad Iqbal,
Secretary to Government of NWFP
Food, Agriculture and Cooperation Department.
Mr. Muhammad Zaman Sadozai,
Director.
Syed Mehmood Shah,
Regional Audit Officer.
Mr. Abdul Samad,
Accounts Officer.

FINANCE DEPARTMENT:

Mr. Noorul Haq,
Accounts Officer.

LAW DEPARTMENT:

Mr. Muhammad Shaukat,
Deputy Secretary.

PROVINCIAL ASSEMBLY:

1. Mr. Nazir Ahmed,
Additional Secretary-I
2. Mr. Muhammad Mushtaq,
Additional Secretary-II
3. Mr. Amanullah,
Deputy Secretary-I.

The meeting commenced with recitation from the Holy Quran followed by translation.

FOOD DEPARTMENT.

D.P. 624 Non recoupment of 1147715.147 M. Tons of wheat costing to Rs.3358.357 (M) by various agencies.

The Secretary of the Department explained that about 1746698 M. Tons of wheat was received from the Federal Government in addition to their requirement. The additional wheat had been issued to various agencies including Afghan Refugees. The wheat in question was issued under the order of Federal Government and recoupment thereof has since been made. He stated that no loss was accrued to the Government.

4. The para was recommended to be dropped with the direction that in future the Department should avoid such lapses.

D.P. 595 Losses to Government worth Rs.30,765 million.

4. The Secretary of the Department explained that in order to avoid break down in supply of wheat. NLC were engaged for transportation of wheat on the order of competent authority (C.M.). The Committee inquired as to why security of the private contractor already engaged was not forfeited, and in absence of Railway, why the Department failed to make alternate arrangement for transportation. The Committee further inquired as to what were the terms and conditions, of the contract agreement made with the contractor and why the NLC was engaged on higher rates when there was no shortage.

6. The Finance Department contended that proper agreement contract was not executed and security was not obtained. The contention of the Department that there was no sufficient wheat was not supported by the then Finance Secretary, as is evident from para 15(a) of the summary submitted to Chief Minister.

7. The Department failed to satisfy the Committee and admitted that there was a gross lapse in the deal and in fact gross violation of Rules was involved which put the Government to a heavy loss.

8. The Committee observed that security of the contractor should have been forfeited before terminating the contract.

9. Nawabzada Mohsin Ali Khan, MPA contended that the contract agreement and relevant documents should have been brought before the DAC and PAC as well.

10. During the discussion it was categorically admitted by the Department that security of the contractor had not been confiscated. Moreover, the Department was not aware of the security and its amount. However, the Department contended that minimum security during those days were Rs.6 lacs. The Committee noted that the circumstances were such that not a single legal formality was observed so much so that the Department took the cover of the orders of the Chief Minister, even that under the law had no force because the Finance Department had categorically refused to agree with the contention of lifting the wheat through NLC. Reliance was placed on the provision of Para 19 of GFR which was violated by the Department.

11. The Committee was of the opinion that the security of all the contractors in this case should have been confiscated as the reasons were logical which obviously the authority had failed to do so. The Committee directed that minimum security i.e. Rs.6 lacs of each contractor in the province should be confiscated by the concerned authority. The Committee further directed that department action should be taken to fix responsibility on the concerned officials and also the amount involved may be recovered from all those involved. It is for them to settle their account with the contractors. In case of Accounts officials are involved in the process and found not performing their lawful duties and those who made payment should also be proceeded against, accordingly. The Committee also directed that in future the Department should make agreement with the contractor in accordance with the spirit of General Financial Rules and instructions issued by the Finance Department and should also insert a clause in the agreement fixing a definite date for the transportation of wheat to the destination. If the contractor failed to deliver the consignment even one day after the stipulated date, his security be forfeited to avoid difficulty of the Department because of expected price hike due to which they had to opt for a fresh contract or contractors.

12. The Committee further directed the Department that the Chief Secretary may be requested to appoint an inter departmental enquiry committee consisting of the representative of Finance, Audit, Law and Food Departments to conduct detailed enquiry in this case within three months and after fixing responsibility recovery may be made within one month. Report be submitted to the PAC. Para stands.

D.P. 596 Loss of Rs.0.211 million due to recovery of incidental charges at less rates.

13. In view of the explanation of the Department duly supported by the documents that recovery had already been made, the Para was recommended to be dropped.

D.P. 598 Loss of Rs.0.198 million due to issue of wheat at lesser rates.

14. The Secretary of the Department explained that the Para relates to Chitral which was a hard area, the communication facilities were also difficult.

15. On a query by Nawabzada Mohsin Ali Khan, MPA the Audit contended that rate of wheat was enhanced from Rs.3.10 per K.G. to Rs.3.40 per K.G. w.e.f. 13-04-1992 to 19-04-1992. It was added that total 64090 bags were issued in four days, which comes to half of the quota of the whole months for Chitral. The Department admitted that disbursement was not justifiable.

16. On a query, the Department admitted that inspite of the directive of the DAC, no enquiry was conducted.

17. The explanation put forth by the Department on behalf of DFC concerned was of no value.

18. After detail discussion the Committee directed the Department that the amount may be recovered from the DFC concerned and the incharge at sale point jointly, within 3 months on equal basis. If the recovery was made within the stipulated period, the Committee directed that no departmental action and no adverse entries in the ACRs should be reflected but if they failed to do so, departmental/criminal action coupled with recovery should be initiated against the concerned officials and PAC be informed of the action taken in the matter. Para stands.

D.P. 674 Loss of Rs.2.196 million due to acceptance of higher rates.

19, The Department explained that tenders for the transportation of wheat from Karachi to NWFP, were invited on the basis of distances of Indus Highway and the lowest rate was accepted vide letter No. 15731-38/AM dated 23-09-1992. The Contractor H.Abdur Rehman executed agreement and allocation was made to him for the transportation of wheat from Karachi to D.I. Khan. Later on, other contractors whose centers were situated on National Highway came up with representation that they were not prepared to work on the basis of Indus Highway distances saying that wheat to their centres is brought through National Highway. So far as the contractor Mr. H. Abdur Rehman is concerned he could not make such objection as the wheat which was transported from Karachi to D. I. Khan, Karak, Kohat was brought through Indus Highway. However, later on all contractors made representation that due to repatriation of Afghan Refugees, the rates offered by trailer owners

were not workable and requested for re-tender. A committee was formed consisting of representatives of Food and Finance Departments to probe into the matter, which agreed with the enhancement of rates.

20 The Deputy Secretary, Finance Department however rebutted the contention of the Food Department that a Committee comprising of Food and Finance Department was constituted which agreed the enhancement of rates for transportation of wheat. The Audit office supporting the above contention of Finance Department added that the Secretary Finance had totally disagreed with the enhancement of rate and change of site.

21. The Committee inquired as to whether there was any contract executed with the first contractor and who was the competent authority to enhance the rate. Was any summary moved for enhancement of the rate for transportation to the competent authority and what was the nature of security deposit agreed with contractor, the Committee asked.

22, The Law Department contended that the contractors were illegally allowed to do the jobs which were not awarded to them.

23. The Committee was of the view that it was clear violation of all norms of law and rules. It was the job of the competent authority to have forfeited the security of the contractor and should have re-tendered the contract which had not been done. Secondly the contention of the Department that the Finance Department had agreed to enhance the rate was proved wrong.

24. Under the circumstances the Committee directed that the amount be recovered from all those who were responsible for awarding such an unlawful and illegal contract. The Committee also directed that the Chief Secretary be requested by the Department to conduct an inter departmental enquiry consisting of the representative of the Finance, Audit, Law and Food Departments to fix responsibility on the persons involved in the misdeed. The report should be submitted within 3 months and after that the amount be recovered within a month from all those who were held responsible by the aforesaid committee. However, if the recovery was made in time, no departmental action, no adverse entry in the ACR should be made, but if they failed to deposit the amount, departmental/criminal action may be initiated against the concerned officials.

25. At a very belated stage i.e. just after the announcement of decision of the Committee, the attention was drawn to a summary dated 03-08-1992, so in the interest of justice the inter departmental committee to be formed should also take into consideration the said summary. Progress may be reported to the PAC. Para stands.

D.P. 675 Loss of Rs.1.112 (M) to Government due to irregular extension of agreement period for 90 days w.e.f. 01-07-93 to 28-09-93.

26. The reply of the Department given in the working paper was not tenable. The Committee observed that the Department should have at least forfeited the earnest money of the first contractor and should have re-tendered the contract.

27. The Department admitted that loss was the result of share irresponsibility of the Director Food, because at least in the first instance, he should have forfeited the security of the contractor concerned. Therefore, the Committee directed the Department that recovery should be made to the tune of security which was Rs. 3 lacs from the contractor concerned and the responsible official on equal share within 3 months, who failed to perform duties in accordance with the law. If the recovery was made in time no departmental action be taken and no adverse entry in the ACR be reflected of the concerned official and no black listing of the contractor be made, but if they failed to make recovery the contractor may be black listed and departmental/criminal action be taken against the official concerned.

D.P. 689 Loss of Rs.123750/- sustained by the Government due to expenditure and undue favour to Flour Mills owners.

28. In view of the enquiry report that recovery was made in barter shape, the Para was recommended to be dropped with the direction that such type of barter system be avoided in future.

D.P. 697 Loss of Rs.0.658 million due to sale of wheat @ of Rs.355/- per bag instead of enhanced rate i.e. 437/50.

29. As per decision against D.P. 598.

D.P. 611 Non recovery of Government dues Rs.20.571/- million.

30. The Department explained that a sum of Rs. 1.10 million had been recovered and assured that the balance amount would be recovered shortly.

31. The Para was recommended to be dropped subject to verification by the Audit. However, the Department was also directed that if they have any claim against Federal Government, it may be taken up with the Finance Department to deduct the amount from the Government at source.

D.P. 662 Non recovery of Rs.2.280 million outstanding against the Handling Agents of cost of wheat short received.

32. The Department explained that recovery had been made in full. In view of the explanation of the Department, the para was recommended to be dropped subject to verification by the Audit:

D.P. 597 Non recovery of R/Freight amounting to Rs. 0.462 million.

33. The Department explained that Rs. 11 crore had been recovered up to 06/96. Subject to verification by the Audit, the Para was recommended to be dropped.

D.P. 613 Non adjustment of Rs.0.30 million on account of premium to cane grower on Food Account-II.

34. The Department explained that sugar premium of Rs. 30 million was released by Federal Government on 07-02-89 for payment to growers. The expenditure in this regard was met out from Food Account-II. Simultaneously the Accountant General NWFP was asked to adjust the premium as released by the Federal Government in Food Account by affording credit thereto. This was necessary as to resources of Food Account-II were badly effected. Series of correspondence were exchanged with Accountant General NWFP, on the issue yet the required adjustment was not carried out.

35. The Finance Department contended that A.G. was requested time and again to transfer the amount of the Food Department from Account-I to Account-II, but the action was still awaited.

36. The Committee directed the Accountant General to transfer the amount in question from Account-I to Account-II, as requested for by the Finance Department, within one month failing which strict action would be taken against the person responsible for the lapse.

37. The meeting was adjourned till 06-08-1997 at 09:30 A.M.

Sd/-
(HIDAYATULLAH KHAN CHAMKANI)
Chairman,
Public Accounts Committee.

PROVINCIAL ASSEMBLY OF N.W.F.P.

Wednesday, the 6th August, 1997.

11th Sitting of PAC.

FOOD AND AGRICULTURE DEPARTMENT.

The public accounts Committee assembled at 09.50 A.M. in the Conference Room of the Frontier House Abbottabad to continue examination of the Audit Report on the Accounts of Government of NWFP for the year 1994-95 pertaining to Food, Agriculture and Cooperation Department. The following were present:-

PUBLIC ACCOUNTS COMMITTEE:

1.	Mr. Hidayatullah Khan Chamkani, Speaker.	Chairman
2.	Haji Muhammad Adeel, Deputy Speaker.	Member
3.	Mian Gul Asfandyar Amir Zeb, MPA	Member
4.	Mian Iftikahar Hussain, MPA	Member
5.	Nawabzada Mohsin Ali Khan, MPA	Member
6.	Mr. Muhammad Bashir Khan Umerzai, MPA	Member
7.	Mr. Pir Muhammad Khan, MPA	Member
8.	Mr. Ali Afzal Khan Jadoon, MPA	Member.

BY SPECIAL INVITATION.

Mr. Farid Khan Toofan,
Minister for Food, Agriculture and Cooperation.

AUDIT DEPARTMENT:

Mr. Shafiullah Khan,
Director-General.
Mr. Sikandar Khan,
Director.
Mr. Muhammad Ayaz,
Deputy Director.
Mr. Dost Ali Shah,
Deputy Director.

FOOD, AGRICULTURE AND COOPERATION DEPARTMENT.

1. Mr. Muhammad Iqbal,
Secretary to Government of NWFP.
Food, Agriculture and Cooperation Department.
Mr. Atta Shujah,
Director General (Research Wing).

Mr. Muhammad Zaman Dadozai,
 Director, Food.
 Qazi Khalilur Rehman,
 Director Finance (Extension).
 Haji Abdul Latif Khan,
 Director Live Stock.
 Syed Mehmood Shah,
 Regional Audit Officer, Food.
 Mr. Abdul Samad,
 Accounts Officer.
 Mr. Amanat Khan,
 S.O. (Accounts).

FINANCE DEPARTMENT:

Mr. Noorul Haq,
 Accounts Officer.

LAW DEPARTMENT:

Mr. Muhammad Shaukat,
 Deputy Secretary.

PROVINCIAL ASSEMBLY:

1. Mr. Nazir Ahmed,
 Additional Secretary-I
2. Mr. Muhammad Mushtaq,
 Additional Secretary-II
3. Mr. Amanullah,
 Deputy Secretary-I.

2. The meeting commenced with recitation from the Holy Quran followed by translation.

FOOD DEPARTMENT.

D.P. 668 Excess/over payment of Rs.1.834 million.

3. The Department explained that the excess distance for transportation of wheat was allowed in this case after a high level meeting. The Finance Department disagreed with the contention of the Department and referred to Para 11(a) of the summary to Chief Minister and said that benefit had been given in this case to a particular contractor. The Para in question was identical to Para 674 already decided. The Law Department was of the view that payment made for excess distance may be recovered.

4. From the discussion the Committee arrived at the conclusion that it was a clear case of mis-appropriation and mis-management. The Department had clearly violated the orders of the then Chief Minister “who

ordered for retendering” but the contract was not at all retendered. The security and Bank Guarantee were not even touched upon as per contract agreement. The Committee apprehended that there might be some gross irregularities and it was pointed out that the distance of Mansehra was the same as the previous one, but still to oblige the contractor, all this was done.

5. The Committee directed the Department to request the Chief Secretary for constitution of an inter departmental enquiry committee at an early date consisting of Food, Audit, Finance and Law Departments to probe not only in the case of district Mansehra but also in case of other districts of the province and fix responsibility. The Committee also directed that the inter departmental enquiry committee should not spare the contractor and if he was found guilty, serious action may be recommended against him. Subject to the findings of the committee, the excess amount may be recovered within three months positively.

6. The result of the enquiry should be submitted within three months and in case the responsibility was fixed jointly on Government employees and private persons, then they should pay the amount within a month. If the payment was made well in time, then no departmental action, no adverse entries in the ACR and no action against the private person involved be taken, but in case they failed to deposit the amount then departmental/criminal proceedings, coupled with recovery, may be initiated against the responsible persons.

D.P. 617 Excess payment of Rs.5.685 million to PASSCO.

7. The Department explained that payment was made @ Rs.568.97 per ton as per advice of the Finance Department. The Finance Department agreed to that extent only but stated that payment made @ of Rs. 672.57 per ton was not justified. The Hon’ble Member questioned that what was the demand of PASSCO, why? the delay in payment of mark up was made and what was the justification of mark up by the Provincial Government? The Department explained that PASSCO could not meet the requirement of Food Department. Moreover, payment/funds were not provided by the Finance Department, hence mark up was paid. The Finance Department rebutted the contention of the Department and submitted that payment was made to Food Department on 18-05-1992 and except during the last year, the Food Account was never in loss in the history of the Province. Hence the excuse of the Food Department was not tenable. The mark up paid was due to negligence of the Food Department. Moreover, the Department had failed to provide audited account to Finance Department. The Food Department contended that payment of mark up was already included in the rate fixed by the Federal Government for PASSCO.

8. The matter was discussed at length, the Secretary Food with clean breast admitted the delay in payment as clarified by the Finance Department, which resulted in loss to Government to the tune of Rs. 51 lacs.

9. The Committee recommended and directed the Department that recovery should be effected within three months from all those who were responsible for delaying the payment which resulted into such huge loss. The Committee also directed the Secretary Food to hold an enquiry and fix responsibility on the Official concerned within three months and report submitted to PAC.

10. In case recovery was made in time no departmental action be taken and no adverse entries in the ACR be reflected. However, if the amount was not deposited within stipulated period, departmental/criminal proceedings, coupled with recovery, may be initiated against the responsible official, Para stands.

D.P. 612 Un-necessary blockade of Rs.4.933 million by purchasing tarpaulines in excess of requirement.

11. The Committee noticed with grave concern that despite the lapse of three years the enquiry ordered by the DAC which was chaired by the Secretary Food Department had not been conducted till day. The Secretary very open heartedly stated that although the purchase was made in spite of the fact that stock was available, but the Department had to do so for natural calamity which was always uncertain. The Secretary was directed to hold a departmental enquiry on two points (i) as to why the enquiry as directed by the DAC was not conducted within three years and take stern action against the person responsible for negligence (ii) to personally verify the factum of supply of tarpaulins to different stations, because the paper which was circulated by the Department amongst the members had got no date and in some cases, supply was made without any requirements. Those who were responsible for such indolence be dealt with strictly. Progress may be reported to PAC. With the above observation the Para was recommended to be dropped.

D.P. 600 Irregular/double payment of Rs.2.749 million to the carriage contractor.

12. The Department explained that complete payment had been recovered from the Uniloge authorities and no loss accrued to the Government.

13. Subject to verification by the Audit, the Para was recommended to be dropped with the direction that the Department should strictly follow Rules in future.

D.P. 687 Acceptance of sub-standard damaged wheat valuing Rs.1.837 million and payment of transportation charges of Rs.0.467 million.

14. The Department explained that spot verification was conducted. The entire quantity of 4965 bags costing Rs. 1837650/- had been disposed of and sold in full to the Flour Mills Owners. It was added that the Government was saved from financial loss.

15. The Para was recommended to be dropped with the observation that in future the Department should avoid such doubtful deed.

D.P. 691 Non imposition of penalty of Rs.0.732 million on contractor.

16. The Secretary of the Department explained that as per decision of the DAC enquiry was conducted. According to the enquiry report the carriage contractor of imported wheat M/S H. Inayatullah could not lift the quantity of 2870.946 M. Tons imported wheat as there was no wheat in stock at Port Qasim and un-lifted balance was cancelled. With regard to unlifted balance wheat from PASSCO i.e. 1870 M. Tones, the Department contended that the contractor was responsible for it, and Rs. 160558/- was being recovered as penalty from his cash security.

17. After detail discussion the Para was recommended to be dropped subject to the observation that in future such type of practice be avoided.

D.P. 706 Non accountal of 240 bags of wheat valuing Rs.0.122 million.

18. The Secretary Food admitted that non accountal of wheat of 240 bags valuing Rs.122169/- proved the malafide intention of the concerned officer as the record had been tempered with.

19. From the perusal of the documents it clearly transpired that the intention of the concerned officer was malicious. The recovery is hereby ordered in the circumstances from DFC within three months failing which departmental/criminal proceedings, coupled with recovery, be initiated against him. Progress may be reported to the PAC. Para stands.

AGRICULTURE DEPARTMENT.

D.P. 122 Un-authorized opening of Bank Account and retention of Rs.26.896 million.

20. The Audit reported that in various offices of Agriculture Research Department amounts received/realized on account of Grant-in-Aid/auctioned money etc was kept in Commercial Banks during 1990-94 without the consent of Finance Department. Also interest accrued on bank deposits was utilized towards departmental expenditure, instead of crediting the amount into Government Treasury in violation of Para-7 of G.F.R. Vol-I.

21. The Department explained that accounting procedure relating to Research Wing of Agricultural University had been formulated and submitted to Accountant General duly vetted by the Finance Department. It was added that on the merger of Agriculture University and Agriculture Department, the Finance Department allot fund in lump sum to the University which was kept in Bank.

22. The Finance Department contended that Rules must be followed in all respects and in the absence of other laid down procedure the unspent balance may be returned to the Finance Department.

23. The Para was recommended to be dropped with the observation that in future the Department should strictly follow the law and Rules till they were amended and the Department was also directed to deposit the amount in treasury or get the condonation from Finance Department.

D.P. 125 Wasteful expenditure on the purchase of Medicines and Vaccines worth 0.764 Million.

24. The Department explained that the medicines were purchased and safely stored with all precautionary measures and distributed amongst the veterinary Institutions during 1992-93 and 1993-94. It was also explained that an enquiry was conducted and it was established that the medicines were not expired and no loss accrued to the Government.

25. In the light of the enquiry report the Para was recommended to be dropped.

D.P. 136 Lapse of fund due to non surrender of anticipated savings worth Rs.0.462 million.

26. The Department explained that a request was made to Finance Department on 16/06/1997 for transfer of saving amount in the assignment account opened in the name of the Director Livestock and Dairy Development. The Finance Department asked Accountant General on 20-06-1997 to transfer the savings to assignment account. The Accountant General also issued letter to his District Accounts Officer, but he failed to do the job in spite of his order.

27. The Finance Department contended that in the absence of action by the District Accounts Officer D.I. Khan, the amount should have been surrendered by the Department before the close of financial year.

28. After detail discussion the Para was recommended to be dropped with the direction that the Department and District Accounts Officer must be vigilant of their duties in future.

D.P. 13 Un-authorized expenditure worth Rs.0.280 million.

29. The Audit reported that in the office of Project Director National Oil Seed Development (Seed Wing) eleven beldars were appointed in BPS-I without any provision in the PC-I. The Drawl of pay and allowances was therefore, unauthorized. Later on they were terminated due to economy drive, but fresh appointment of four beldars was again made from March to June, 1992. Similarly two Mechanical Sub Engineers in BPS-14 were appointed in June, 1990 without any provision in the PC-I.

30. The Secretary Food agreed to the Audit objection, he however stated that these were only temporary arrangements and he requested for condonation and highlighted the importance and achievement of the project.

31. After detail discussion the Para was recommended to be dropped in view of the achievement of the project with the direction that the Department should be careful in future to avoid such lapses.

D.P. 112 Loss of Rs.0.636 million on breeding operation.

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

D.P. 128 Payment of barbed wire fencing amounting to Rs.0.439 million.

33. The Department explained that in pursuance of the decision of the DAC legal advice on point was obtained as to whether the payment of the cost of material (without being installed) to the contractor, in anticipation of the court decision regarding the disputed land was obligatory or at all justified. The legal advisor opined that the payment was in order.

34. In view of the legal advice obtained by the Department in pursuance of the decision of DAC, the para was recommended to be dropped with a warning that in future the Department should not enter into such disputed land and avoid such expenditure.

D.P. 130 Less deduction of Income Tax Rs.0.929 million.

35. In view of the explanation of the Department the Para was recommended to be dropped.

36. The meeting was adjourned till 07-08-1997 at 09:30 A.M.

Sd/-
(HIDAYATULLAH KHAN CHAMKANI)
Chairman,
Public Accounts Committee.

PROVINCIAL ASSEMBLY OF N.W.F.P.

Thursday, the 7th August, 1997.

12th Sitting of PAC.

HEALTH DEPARTMENT.

The public accounts Committee assembled at 10.00 A.M. in the Conference Room of the Frontier House Abbottabad to examine the Audit Report on the Accounts of Government of NWFP for the year 1994-95 pertaining to Health Department. The following were present:-

PUBLIC ACCOUNTS COMMITTEE:

1.	Mr. Hidayatullah Khan Chamkani, Speaker.	Chairman
2.	Haji Muhammad Adeel, Deputy Speaker.	Member
3.	Mian Gul Asfandyar Amir Zeb, MPA	Member
4.	Nawabzada Mohsin Ali Khan, MPA	Member
5.	Mr. Muhammad Bashir Khan, Umerzai, MPA	Member
6.	Mr. Pir Muhammad Khan, MPA	Member
7.	Mr. Ali Afzal Khan Jadoon, MPA	Member

AUDIT DEPARTMENT:

Mr. Shafiullah Khan,
Director-General.
Mr. Sikandar Khan,
Director.
Mr. Muhammad Ayaz,
Deputy Director.
Syed Mutahir Shah,
Deputy Director.

HEALTH DEPARTMENT.

1. Mr. Muhammad Saleem Khan.
Secretary to Government of NWFP.
Health Department.
2. Mr. Jalal Khan,
Director General.
3. Mr. Ziaul Islam.
Administrator, HSTH.
4. Dr. Muhammad Ali Khan,
Administrator, LRH.

C & W DEPARTMENT.

Mr. Muhammad Shafi,
 Superintending Engineer (Buildings)
 Mr. Muhammad Baseer,
 Executive Engineer (Building Division-II)

FINANCE DEPARTMENT:

1. Mr. Amjad Nazir,
 Additional Secretary.
2. Mr. Gul Zeb Khan,
 Deputy Secretary.

LAW DEPARTMENT:

Mr. Muhammad Shaukat,
 Deputy Secretary.

PROVINCIAL ASSEMBLY:

1. Mr. Nazir Ahmed,
 Additional Secretary-I
 2. Mr. Muhammad Mushtaq,
 Additional Secretary-II
 3. Mr. Amanullah,
 Deputy Secretary-I.
2. The meeting commenced with recitation from the Holy Quran followed by translation.

General:

3. The Committee noted with grave concern that the working paper furnished by the Health Department was not signed by the Administrative Secretary nor it was prepared according to the sequence of the Audit Report which resulted great inconvenience to all the participants in searching the draft paras. Similarly the documents attached to the working paper were not tangible despite the fact that the Assembly Secretariat had time and again directed the departments that the working paper must be legible. Similarly the late coming of Secretary, Health to such an important meeting was noted by the Committee Members with grave concern.

4. The Committee after hectic debate directed that in future the wording paper must invariably be signed by the Administrative Secretary himself and prepared according to the sequence of Audit Report to avoid inconvenience. The Administrative Secretary must attend the meeting himself in time and in case of any exigency or emergency, he must sought prior permission of the Chairman, Public Accounts Committee for nominating a senior Officer of the department well conversant with the job.

D.P. 68 Drawl of Rs.4.037 million on account of Discretionary Grant without provision of funds.

5. The para was deferred for next day for production of the relevant Medical Attendance Rules for treatment abroad and the procedure of utilization of Discretionary fund of the Chief Minister.

D.P. 34 Embezzlement of Rs.0.206 million on account of fees realized from patients.

6. In view of the explanation of the Department that full amount had been recovered, the para is recommended to be dropped. With regard to disciplinary action, the Director General Health categorically stated that the person involved had since been retired, therefore, disciplinary action was not taken.

7. The Department was directed to be careful in future and they should perform their legal obligation before the discrepancies are pointed out by the Audit or anybody else, as one of the member of the Committee objected that had the embezzlement not been pointed out by the Audit Office, the Government would suffered a great loss.

D.P. 115 Mis-appropriation of Government money of Rs.0.172 million.

8. The Secretary of the Department explained that recovery of mis-appropriated amount had already been made and deposited in Government Treasury vide challan attached with the working paper. The Committee asked as to what action had been taken against the officer responsible. Had it not been pointed out by the Audit, the money would have been definitely embezzled, it was added. The Secretary stated that in this particular case the matter was with the Anti-Corruption Department. The Audit pointed out that the internal check system in the Department was very poor.

9, The Audit objected that the challans attached with the working papers did not relate to the Draft Para except one challan. The Director General Health replied that the challans were duly verified b the Medical Superintendent and the same related to Draft Para in question. The Secretary was of the opinion that Director General Health would give a certificate to that effect in writing.

10. Subject to verification by the Audit, the para is recommended to be dropped. However, in case it was found that full amount had not been recovered, as contended by Audit, then recovery be made within one month, failing which, Departmental/criminal action, coupled with recovery, shall be taken by the Department against the indolent. Progress be reported to PAC. Para stands.

D.P. 19 Shortage of Medicines.

11. The Department explained that be now, the medicines found short have been taken into Main Stock Register as well, Rs. 5349/- realized on account of OPD and Ex-Rays fee have been deposited into Government Treasury.

12. After detail discussion, the para is recommended to be dropped subject to verification by Audit. Further, as conceded by the Department that the entries were made in the main register in 1992 but the register was not available till 1994, the PAC taking into consideration this drastic irregularity, also directed that a departmental enquiry may be conducted and strong action may be taken against the person responsible for this lapse and the result of the enquiry may be submitted to the PAC within three months.

D.P. 54 Over payment of Rs.0.175 million to a WMO on account of Pay and Allowances for un-authorized absence.

13. The Secretary of the Department explained that he had directed the D.G. Health to hold a fresh enquiry for which he himself was also responsible as he gave fresh posting despite the fact that the lady Doctor was willfully absent. Further he added that the D.G. should have suspended her and the DHO, being the immediate supervisory officer, should have performed his primary duty.

14. The Secretary of the Department admitted that drastic illegality had been committed and supported the contention of the Audit. Under the circumstances the Committee directed the Department that a departmental enquiry may be conducted to (i) fix responsibility of the losses accrued to the Government (ii) initiate criminal proceedings in consultation with Law Department against the W.M.O. concerned Enquiry report must be completed within six months and result submitted to PAC. The Department is further directed to immediately contact the Law Department for initiating appropriate criminal proceeding against WMO.

15. The Department was also directed that the WMO concerned be placed under suspension and initiate drastic disciplinary action under the E&D Rules.

16. Recovery should also be made from the WMO. Progress to be reported to PAC. Para stands.

D.P. 63 Non recovery of Government dues worth Rs.1.879 million.

17. The Secretary of the Department gave details of various type of accommodation available/allotted to doctors. He also read out the procedure laid down for allotment of different type of government accommodation to

doctors including doctors of L.R.H. He however, agreed that after allotment of accommodation to doctors, house rent in no way can be drawn.

18. From the long discussion it transpired that the Administrative Secretary of the Department was of the opinion that more facilities should be given to the Doctors because some of them were supposed to be present round the clock. The Committee appreciated the difficulties of the Secretary, but in the instant case, the position was quite different. The erstwhile PAC had directed for the recovery of House Rent Allowance definitely in accordance with the procedure, the report might have been adopted by the Assembly. So far the present PAC is concerned, there was no alternative but to respect the decision of the then PAC. Anyhow the Committee did appreciate the difficulties of the doctors, which were vehemently argued and explained by the Secretary, the Secretary was directed to move the Government for the condonation or for the amendment in the Rules. The Hon'ble members of the Committee also pointed out that there were letters from the Department that the recovery should be made from their salary. It is really strange that the instructions contained in the document provided to the Members were not honored. Had the instructions been honored at the very outset, the problem would not have arisen. Unless the Rules are amended or the condonation made by the Finance Department. The Committee ordered the recovery of the dues from all concerned within six months period. Any how the Finance Department is at liberty to ask for the extension of time. Progress be reported to PAC. Para stands.

D.P. 52 Recovery/deductions on account of Room Rents.

19 The Secretary explained that recovery on account of utility had been made as stated by the Secretary. Regarding the recovery from patients for use of ambulance the Secretary requested for condonation being poor people.

20. The Department may proceed as per decision against Draft Para 63 with the additional directive that electricity charges may also be recovered and got verified by the Audit.

21. With regard to use of Ambulance, the Secretary contended that they would recover the amount from the user other than the patients. The Committee directed that Ambulance should be used only for patients and not otherwise and the Secretary was directed to conduct an enquiry within six months regarding use of Ambulance and the amount may be recovered from the persons other than patients. Progress may be reported to PAC. Para stands.

D.P. 24 Lease agreement of a Tandoor.

22. The Department contended that there was no written agreement whatsoever and therefore, the contractor ran away before signing any contract agreement. He went to the court and got stay order. The Department stated that the security to the tune of rupees ten thousand had been confiscated but they claimed the amount on account of construction and not for physical possession.

23. The Committee observed that it was the job of the authorities concerned to have entered into a written agreement coupled with non physical possession. The Para was recommended to be dropped accordingly and the Department was directed that in future they should invariably get every contract in black and white. The Department was further directed that they should have separate meter installed in such type of premises.

D.P. 117 Non recovery of Room Rent.

24. Decide as per decision against Draft Para 63.

D.P. 119 Excess expenditure incurred on residential telephone.

25. After detail discussion it was directed that recovery may be effected within three months. If not condoned by the Government failing which departmental/criminal proceedings, coupled with recovery may be initiated against the defaulting official Progress may be reported to PAC. Para stands.

D.P. 98 Losses to Government worth Rs.1.321 million.

26. The administrator Hayat Shaheed Teaching Hospital explained the factual position for acceptance of tender of M/S Shahnawaz and stated that the firm had given affidavit to have changed the rate himself Regarding the second para of defective tender system and purchase of medicine on quality basis, the Department explained that it was done by the Drug Committee. The Secretary however contended that medicines must be purchased on quality basis.

27. The original tender document was perused by the members of the Committee, the Secretary Health, the Additional Secretary Finance Department and it was found that manipulation was 100% true without any doubt. Photocopy of that tender is available with the Audit. They were directed to keep it in the safe custody. The Committee noted with grave concern and remarked that such type of manipulation by the Government official was a serious offence. The Committee directed that the loss accrued to the Government may be recovered from the concerned official. The Audit was also directed to calculate the losses. The recovery should be made from the concerned officer within three months, failing which criminal action may be initiated against the concerned officer/official along with the recovery as arrears of land revenue.

28. As far as the second part of the para i.e. about quality drugs was concerned the Committee agreed with the contention of the Secretary as well as that of the Specialist that there should always be qualitative drugs, but the Committee directed that if ever the lowest tender was rejected on the grounds that it was not qualitative then reasons must be recovered and in that case, the Department must initiate action against the concerned firms, otherwise those tenders would be considered dubious one. The Specialist must

ensure that the base of the medicines be certified by him. Progress may be reported to PAC. Para stands.

D.P. 99 Irregular payment of sales tax by the local office.

29. The Audit reported that according to Contract Agreement executed with Heavy Mechanical Complex Taxila, in July, 1993 for the supply of Boiler Machine 50% payment of Rs.775.000/- was paid to the company in 08/1993. The company was bound to supply/complete all items by April, 1994, but supply was made after 17-12-1994. It was however, noticed that a sum of Rs. 232.500/- on account of Sales Tax imposed by the Government w.e.f. 01-07-1994, was also charged to Government instead of the company despite the facts that supply/installation of Boiler Machine was delayed by the company Payment of Sales Tax by the local office was irregular and required to be recovered from the firm or persons at fault after necessary investigation.

30. After detail discussion it was found that the contents of agreements were such in which the buyer was woven into a web and he could not claim any thing in view of stipulated terms of the contract agreement.

31. As far as the retention of amount was concerned, it was released by the Finance Department in advance. Anyhow the Additional Secretary of the Finance Department contended that purchase should not be limited to the public sector only because the terms and conditions of the contract are such which will always be against the interest of the purchaser. The Committee directed that the Department should move this factum and argue it before the Government. They should get rid of such a harsh terms of agreements. Accordingly the para was recommended to be dropped.

D.P. 97 Higher rates allowed to Diet Contractor.

32. After detail discussion the Para is recommended to be dropped with the observation that in future terms and conditions be strictly complied with.

The meeting was adjourned till 08-08-1997 at 09:30 A.M.]

CHAMKANI)

Sd/-
(HIDAYATULLAH KHAN

Chairman,
Public Accounts Committee.

PROVINCIAL ASSEMBLY OF N.W.F.P.

Thursday, the 8th August, 1997.

13th Sitting of PAC.

HEALTH DEPARTMENT.

The public accounts Committee assembled at 09.30 A.M. in the Conference Room of the Frontier House Abbottabad to continue examination of the Audit Report on the Accounts of Government of NWFP for the year 1994-95 pertaining to Health Department. The following were present:-

PUBLIC ACCOUNTS COMMITTEE:

1.	Mr. Hidayatullah Khan Chamkani, Speaker.	Chairman
2.	Haji Muhammad Adeel, Deputy Speaker.	Member
3.	Mian Iftikhar Hussain, MPA	Member
4.	Mian Gul Asfandyar Amir Zeb, MPA	Member
5.	Nawabzad Mohsin Ali Khan, Umerzai, MPA	Member
6.	Mr. Pir Muhammad Khan, MPA	Member
7.	Mr. Ali Afzal Khan Jadoon, MPA	Member

AUDIT DEPARTMENT:

Mr. Shafiullah Khan,
Director-General.
Mr. Sikandar Khan,
Director.
Mr. Muhammad Ayaz,
Deputy Director.
Syed Mutahir Shah,
Deputy Director.

HEALTH DEPARTMENT.

1. Mr. Zahoor Ahmed Khan Khalil,
Additional Secretary.
2. Mr. Jalal Khan,
Director General.
3. Mr. Ziaul Islam,
Administrator, HSTH.
4. Dr. Muhammad Ali Khan,
Administrator, LRH.
5. Mr. Sharif Ahmed Khan,
Deputy Director.

C & W DEPARTMENT.

1. Mr. Tariq Saeed.
Chief Engineer (Centre)
2. Mr. Muhammad Shafi,
Superintending Engineer (Buildings)
3. Mr. Muhammad Baseer,
Executive Engineer (Building Division-II)
Peshawar.

FINANCE DEPARTMENT:

Mr. Gul Zeb Khan,
Deputy Secretary.

LAW DEPARTMENT:

Mr. Aziz Akhtar Chughtai,
Secretary to Government of NWFP.
Law, Parliamentary Affairs and Human Rights Deptt:

PROVINCIAL ASSEMBLY:

4. Mr. Nazir Ahmed,
Additional Secretary-I
5. Mr. Muhammad Mushtaq,
Additional Secretary-II
6. Mr. Amanullah,
Deputy Secretary-I.

2. The meeting commenced with recitation from the Holy Quran followed by translation.

**SPECIAL STUDY REPORT ON IMPROVEMENT AND
REMOVAL OF DEFICIENCIES IN HAYAT SHAHEED
TEACHING HOSPITAL PESHAWAR.**

D.P. 5.1. (i)(ii) 26 Flats.

3. The Superintending Engineer C&W Department explained that at the time of inspection by Audit Party, the construction work was under progress and plinth level had not been achieved. He added that the apprehension of audit was based on inspection carried out during execution of work, when excavated work and other materials were dumped around the buildings which misled the inspecting officer, Moreover, he categorically stated that there was no drainage problem as the plinth level was higher almost by 24 inches from the road side. The Para was recommended to be dropped subject to verification by the Audit and certification by Administrator H.S.T.H. that there was no leakage at all.

D.P. 5.1 (iii)

4. Subject to verification by Audit and certification by the Administrator Hayat Shaheed Teaching Hospital Peshawar, the Para was recommended to be dropped.

D.P. 5.1 (iv)

5. The Superintending Engineer explained that the relevant M.B. and drawings of all the blocks were examined in greater detail and it was noticed that detailed measurements of one block were recorded and same were carried over for other blocks of similar design and measurements, which was not a double/fictitious payment, However, the quantity of steel under observation was checked/calculated with drawing and found at par. He added that excess expenditure was due to redesigning and no manipulation had been made rather it was little bit deviation from the procedure. In response to a query, he told that the consultant was associated with the project for the last 30 years and he was fully conversant of the site.

6. The plea of the Audit was that the Government had suffered loss due to excess expenditure. The quantity was 84.71 M. Ton according to the Department and it was redesigned to 147.775 M. Ton. One of the Committee member who is also an expert being Civil Engineer and according to him about 20% margin can be given. After looking into the matter thoroughly the Committee was of the opinion to give 40% margin, so by that calculation the excess amount comes to Rs. 4,98,000/-. The Committee ordered the recovery of this amount within three months from the consultant and the person who was in the possession of M.B. in which certain manipulation was made. In case the concerned person (s) failed to deposit the amount within stipulated period, departmental/criminal action coupled with recovery, may be initiated against him/them. Progress be reported to PAC. Para stands.

7. While the decision of the Committee was being recorded Mr. Tariq Saeed the Chief Engineer C & W stated that he very honestly believed that the money was spent on the project but the methods adopted were such which needed further probe for the simple purpose that either the whole amount should be recovered or nothing should be recovered. On his suggestion the Department was directed to form a Committee consisting of representative of Health, Audit and C&W Departments to probe into the matter. Mian Gul Asfandyar Amir Zeb, MPA, may also be associated with the said Committee. The consultant should also join the Committee. In case the contention of the Department was found incorrect, then the Committee order the recovery of the full amount. The report should be given within two months. Para stands.

D.P. 5.1 (v)

8. After detail discussion it transpired that there was no advertisement in the real sense. The Department produced documents of

advertisement at the belated stage. The committee ordered a departmental enquiry to probe into the matter and in case the advertisement was found bogus, then the whole amount be recovered from the person concerned within three months and Departmental/Criminal action should be initiated by the Department. The Department while conducting enquiry must associate the representative of Audit office. The report of the enquiry be submitted to PAC within one month. Para stands.

D.P. 5.1 (vi)

9. The Department explained that according to the tender documents the contractor wrote 8.76% below and then changed it to 8.76 above with his own hand writing before polling the tender. The cutting was duly attested by the Contractor. The officer who opened the tender encircled the premium, However in the BOQ and tender register there was no cutting etc.

10. After going through the documents presented to the Committee, it was found that in the tender documents the work below was manipulated, therefore, the members did not agree with the contention of the Department.

11. The Committee directed the Department that the recovery of the whole amount may be made from the person(s) on equal basis within three months failing which departmental/criminal proceedings should be initiated against the persons(s) concerned. Progress be reported to PAC. Para stands.

D.P. 5.1 (vii)

12. The Department contended that the agreement with the Vice Chancellor by the consultant was executed in 1964, and they step into the shoes of the Vice Chancellor. A legal question arose, as to whether or not agreement of 1964 was valid. The Committee referred the issue to the Secretary Law, who was present in the meeting and directed that concerned persons as well as the person from the Audit Department may be associated with him and if it was found that the agreement of 1964 was not binding then in that case the Committee order that full amount be recovered from the consultant within three months. The opinion of the Law Department should positively reach this Committee within one month. Para stands.

D.P. 5.1 (viii)

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

Misc: Work.

D.P. 5.2 (i)

14. The Department explained that the nomenclature of the specification was changed in the meeting of PDWP held on 24.12.94 under the Chairmanship of Additional Chief Secretary Government of NWFP. The cost was also enhanced from Rs.0.995 Million to Rs.2.016 million. The administrator of the Hospital who was present at the meeting accepted that there was no leakage, the Para was recommended to be dropped.

D.P. 5.2 (ii)

15. According to Finance Rules, the contention of the Audit Department is perfectly alright. The S.E. has unlawfully exercised his powers. The Committee warned the S.E. for going beyond his powers and the Chief Engineer for lack of supervision.

16. The Department was directed to obtain ex-post-facto sanction from Finance Department and subject to ex-post-facto sanction, the Para was recommended to be dropped.

D.P. 5.2. (iii)

17. After detail discussion the Committee directed that a sum of Rs. 4,00,000/- may be recovered from the contractor concerned within three months and the Department should avoid such lapse in future. Further more the Department should pursue the case with D.C. concerned to recover the amount from the contractor as arrears of land revenue. Efforts should also be made by the Department to recover the amount from the contractor in other contracts. Progress be reported to PAC. Para Stands.

Equipment.

D.P. 5.3 (i)

18. After detail discussion the Para was recommended to be dropped with the direction that the Health Department should always go for standardized equipment, and avoid to purchase substandard equipment. The Department was further directed to clearly mention the specification of equipments intended to be purchased in the advertisement.

D.P. 68 Drawl of Rs.4.037 million on account of Discretionary Grant without provision of funds.

19. In pursuance of the direction of the PAC on 07-08-1997 the relevant documents pertaining to the draft Para were made available to the Committee. The Secretary Law Department and representatives of C.M. Secretariat and S&GAD were also present as desired by the Committee.

20. Nawabzada Mohsin Ali Khan, MPA while going through the Medical Reports and the Summary for the Chief Minister for treatment of certain persons abroad, categorically stated that the government had narrow down the policy for treatment abroad. The persons who were extended this facility was against the policy framed by the Government. He referred to the

Policy of the Government wherein, it was clearly laid down that patient suffering from the following diseases could be treated abroad only.

1. Angioplasty.
2. Complex congenial Heart diseases.
3. Heart Surgery in the Neonatal period.
4. Very high risk coronary artery bypass surgery.
5. Stero-tactic surgery.
6. Basilar Aneurysm surgery.
7. Bone marrow transplant.
8. Deep Arterio Venous Malformation Surgery.
9. Deep third Ventricular Tumurs.
10. Abdominal aortic condition.
11. Other cases in which improvement and longevity of life can be ensured are to be decided on merit.

21. He added that Government should not have borne the expenditure beyond the limits as laid down in the Federal Government policy and quoted a few names of the persons who were treated abroad and expenditure incurred thereon.

Shmila Anwar. She was suffering from skin disease and the amount recommended was 15000 Dollars which is not covered by the reimburse policy.

Syed Inayat Ali Shah suffering from heart disease. Amount 10,000/- Dollar.

Mehboob Ali Khan suffering from cancer not covered in this policy.

Mr. Abdul Sattar Khan. Rechecking for treatment abroad for spinal problem. He was paid 14,000 Pounds His case was also approved as a special case.

22. According to the Law Secretary, the present Government has totally stopped the Medical treatment abroad. In the instant case though there were certain apparent irregularities, but the Committee was of the view that if recovery is ordered by the Committee in that case it will be considered a political victimization. Taking into consideration this fact, the Committee reluctantly dropped the Para with the observation that displeasure the amount to those and benefited there from.

23. According to the Law Secretary no Rule were framed regarding Discretionary Grant, the Committee directed him to advise the Government to frame the Rules in this respect.

24. The meeting was adjourned till 09-08-1997 at 09:30 A.M.

CHAMKANI)

Sd/-
(HIDAYATULLAH KHAN

Chairman,
Public Accounts Committee.

PROVINCIAL ASSEMBLY OF N.W.F.P.

Thursday, the 9th August, 1997.

14th Sitting of PAC.

HEALTH DEPARTMENT.

The public accounts Committee assembled at 09.30 A.M. in the Conference Room of the Frontier House Abbottabad to examine the Audit Report on the Accounts of Government of NWFP for the year 1994-95 pertaining to Home & Tribal Affairs Department and Forestry, Fisheries & Wildlife Department. The following were present:-

PUBLIC ACCOUNTS COMMITTEE:

- | | | |
|----|---|----------|
| 1. | Mr. Hidayatullah Khan Chamkani,
Speaker. | Chairman |
| 2. | Haji Muhammad Adeel,
Deputy Speaker. | Member |
| 3. | Mian Iftikhar Hussain, MPA | Member |
| 4. | Mian Gul Asfandiyar Amir Zeb, MPA | Member |
| 5. | Mr. Pir Muhammad Khan, MPA | Member |
| 6. | Mr. Ali Afzal Khan Jadoon, MPA | Member |

AUDIT DEPARTMENT:

Mr. Sikandar Khan,
Director
Mr. Muhammad Ayaz,
Deputy Director,
Mr. Dost Ali Shah,
Deputy Director.

HOME & TRIBAL AFFAIRS DEPARTMENT.

1. Mr. Ejaz Ahmed Qureshi,
Secretary to Government of NWFP,
Home and Tribal Affairs Department.
2. Syed Kamal Shah,
I.G. Police, NWFP.
3. Mr. Aslam Bangash,
I.G. Prison.

FOREST DEPARTMENT.

Mr. Shaukat Ali,
Acting Secretary.
Mr. Sher Bahadar Arbab,
Director Budget & Accounts.
Mr. Muhammad Sadullah Khan,
Chief Conservator Forest T/C.
Mr. Maqbool-ur-Rehman,
Chief Conservator S/F.
Mr. Abdul Qayyum,
Manager Finance.

FINANCE DEPARTMENT:

Mr. Rashid Ahmad,
Deputy Secretary.

LAW DEPARTMENT:

Mr. Muhammad Shaukat,
Deputy Secretary.

PROVINCIAL ASSEMBLY:

7. Mr. Nazir Ahmed,
Additional Secretary-I
8. Mr. Muhammad Mushtaq,
Additional Secretary-II
9. Mr. Amanullah,
Deputy Secretary-I.

2. The meeting commenced with recitation from the Holy Quran followed by translation.

**HOME & TRIBAL AFFAIRS
DEPARTMENT.**

D.P. 14 Over payment of Rs 184623/-.

3. The Department explained that full amount had been recovered which could be verified by the Audit. However, it was added that wrong fixation was made due to certain anomalies.

4. Subject to verification by the Audit, the Para was recommended to be dropped.

D.P. 234 Over payment of Rs. 110,970/-.

5. The Department explained that recoverable amount was not Rs. 11097/- as pointed out by the Audit, rather it was Rs. 117797/- and full amount of Rs. 1,17,797/32 had been recovered, which could be verified by the Audit.

6. Subject to verification by the Audit the Para was recommended to be dropped.

D.P. 236 Losses to Government worth Rs.5.239 million.

7. The Department explained that a piece of land measuring 132 acres was acquired for the construction of new central jail Peshawar at Azakhel. The construction work could not be undertaken due to financial constraints. Later on through a summary moved by PP&H Department, it was proposed to convert the site into a children park.

8. On a query, the Deputy Secretary, Finance Department clarified that the site was converted into a park by the Chief Minister being competent

authority, hence there was no irregularity to the extent of transfer from one department to another department. He quoted G.R.R. in support of his contention.

9. The Audit objected that the detail of this particular case i.e. the summary, the decision of the court etc as decided in the DAC meeting, were not produced to them. Had the documents been provided, the whole things would have been cleared.

10. After detail discussion the Committee felt that the disputed amount was Rs.749091/- and two and a half acre of land, the details of which were not available at present. The Committee directed that the Audit and Home Departments should sit together and sort out the actual position. If the contention of the Department was found correct then the Para may be dropped in that case only. Report be submitted to PAC within one month.

D.P. 233 Loss of Rs. 10,85,958/- due to use of POL beyond entitlement.

11. The Inspector General of Police explained that the SHO's had been allowed the ceiling of ninety liter P.O.L. per month which comes to three liters per day. Similarly the District S.P. and D.I.G. had been given 130 and 160 liter P.O.L. per month respectively. He added that the ceiling fixed by the Government was not realistic, therefore, a summary has been moved to Government that ceiling of P.O.L. in respect of Police Department may be enhanced, keeping in view there nature of duties.

12. The Finance Department contended that the ceiling was not fixed by the S&GAD on its own but it was fixed by the Provincial Cabinet.

13. After detail discussion, the Committee noticed with great surprise that ceiling fixed for police and other departments was one and the same which was quite injustice under the circumstances, because Police Department specially those in the fields, were expected to work round the clock. This point, as stated by the I.G. was raised on different forums but so far with no fruitful result. The Committee was of the opinion that although they were not in favour of unlimited ceiling, but there should be a reasonable ceiling at least at par with other provinces, if not more. Because the conditions of our province are quite different and peculiar in the presence of Afghan Refugees. The Committee unanimously recommended to the Chief Minister that proposals submitted by the Police Department may be considered by him favorably in toto or with certain amendments as early as possible.

14. About present Para, the Committee observed that since we are required to interpret the law and were fettered by the Rules laid down, it is therefore suggested that the Chief Minister may either condone the recovery of the amount or if possible may pay the amount from his Discretionary Grant otherwise the recovery should be made within six months from the concerned officials.

15. The Committee further added that even the previous PAC had recommended the case of the Police for enhancement of ceiling, the Committee expects that the Hon'ble Chief Minister will accept the unanimous recommendation of the Committee.

D.P. 104 Loss of Rs.86,968/- to Government due to non deduction of House Rent Allowance.

16. With regard to Police Quarter at Kalam, the I.G. explained that there were some quarters with Police Station Kalam which were built by the State Government and by now, the same are in deplorable condition. Due to seasonal place, these quarters were being used as barreks and not used as family quarters.

17. The Committee accepted the contention of the Department and recommended that this portion of the Para may be dropped.

18. Regarding allotment of accommodation to SP Mardan, the I.G. contended that they had a certificate to the effect that no Government accommodation was provided to him. The Committee accepted the contention of the Department, duly supported by documents, and recommended that this portion of the Para may also be dropped.

19. As far as the allotment of accommodation to DSP Tangi and A.S.P. Tangi was concerned, the I.G. contended that they were also not provided government accommodation. However, he stated that had the accommodation been allotted to them, the copies of the allotment order must have been endorsed to Accountant General and the Accountant General Office should have started deduction from their pay, as the officers were self drawing and disbursing officer.

20. The Audit Office did not agree with the contention of the Department, as written proofs were available on their record that the D.C. had allotted govt accommodation to them but House Rent Allowance was not deducted. The Committee directed that recovery of the House Rent Allowance may be made from the concerned officer within six months, failing which departmental/criminal proceedings, coupled with recovery, may be initiated against them. Progress may be reported to PAC. Para stands.

D.P. 23 Recovery of Rs.3.031 million.

21. As per decision against D.P. 233.

D.P. 232 Recovery of Rs.198,508/-.

22. With regard to part (i) of the Para, the I.G. Police explained that out of Rs.63409 as sum of Rs.11502/37 had been recovered. About the balance recovery, he stated that the persons against whom the recovery was due, were not traceable being deserters/discharged, therefore, the balance amount may be written off. At the same time the I.G. Police contended that the

life of the items removed by the persons were such which under the Rules is not warranted to be recovered and a case for its writing off has already been initiated. The contention of the Audit was that at that time the articles were worth use and were not liable to have been thrown out without compensation to the Government.

23. After detail discussion the Committee directed the Department that they should furnish the addresses of the persons concerned to the respective Deputy Commissioners and the Deputy Commissioners are directed to effect the balance recovery as arrears of land revenue from the concerned persons as soon as possible.

24. Regarding the second portion of the para, the I.G. assured that the amount would be recovered in the current financial year from the M.C. Kohat.

25. The Committee after lengthy discussion directed the Secretary Local Government to effect the impugned amount from M.C. Kohat within three months because the recovery had already been delayed for a long period and inform this Committee of the progress without fail. The Police Department was also directed to pursue the case vigorously with the quarter concerned and if any person from the M.C. found delaying the recovery, he may be recommended for disciplinary action.

26. About third part of the para, the I.G. informed that full recovery had been made, which could be verified by the Audit. Subject to verification, this portion of the para was recommended to be dropped.

27. Regarding the fourth part of the para, the I.G. explained that the case was registered against the offenders. The Committee felt that it was not within the power of the Police to recover the amount without fixing responsibility on such a long procession, therefore, it was also recommended that it may be dropped, and in case, the court allowed the compensation then that should be deposited into government Treasury accordingly.

D.P No.1 Recovery of Rs.119,692/- on account of T.A.

28. It was contended by the Department that major portion of the amount had already been recovered and only Rs.12,764/- were in arrear.

29. The Committee directed the Department that arrear should be recovered within three months, and amount already recovered may be got verified by the Audit. Para Stands.

D.P No.47. Excess of residential telephone charges of Rs.0.226 million.

30. The I.G.P. explained that the nature of duties of the police were quite different. They were to perform their duties after office hours, therefore, they use residential telephone frequently in the public interest. He requested

that ceiling for residential telephone may be enhanced appropriately. In this connection a proposal has already been sent to Government, he added.

31. The Finance Department contended that the Police Department had their own telecommunication system, therefore, the request of I.G. to enhance ceiling for the officers of Police Department may not be honored.

32. The I.G. explained that they have only wireless system, which was not a secret system and can be checked/intercepted, and secret information could not be passed on through the same.

33. The Committee observed that the I.G.P. has very convincingly argued his case, but the Committee cannot go beyond its jurisdiction. In the presence of Rules, the Committee has no other alternative but to order the recovery of charges over and above the ceiling from the concerned officer within three months period unless condoned by the competent authority and if recoverable amount was paid voluntarily by the concerned officials, no departmental action and no entry in the ACR be made in that case only.

34. The Committee also recommended that the proposal sent by I.G.P. to Government for enhancement of ceiling of residential telephones may be considered favourably after comparing the same with other provinces of the country as well, the resources of our province be considered. Progress may be reported to PAC. Para stands.

D.P No. 15 Excess drawal of 94 posts Rs.0.161 million.

35. The Department explained that actual amount of Rs. 139134/43 had been recovered, which could be verified by the Audit.

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

D.P No.235 Unauthorized payment of 20% special pay to police personnel Rs.0.136 million.

37. The I.G. Police explained that para pertains to D.I Khan and Tank. As for as D.I Khan was concerned the I.G.P. stated that they had the sanction of the Finance Department for special pay to 23 drivers and no payment was made un-authorisedly. The Committee recommended that this portion of the para may be dropped subject to production of the sanction of the Finance Department to the Audit.

38. With regard to Tank, the I.G. admitted that the contention of Audit was correct and recovery of Rs.21,046 had been effected. The para was recommended to be dropped subject to verification by the audit.

39. The Committee further directed the Department to avoid such type of irregularities in future unless prior sanction of the Finance Department is obtained.

D.P No.21 Non production of detail account for Rs.0.126 million and actual payess receipts for Rs.0.285 million.

40. The para was recommended to be dropped subject to verification by the Audit.

41. It was pointed out that the Departments did not furnish the report of internal Audit in time to the D.G. Audit. The I.G. Police assured that in future the internal Audit reports will be invariably sent to Audit in time. The Committee directed that internal Audit Report should also be placed before the DAC.

FOREST DEPARTMENT

D.P No.605 Mis-appropriation of Rs.1.063 million.

42. According to Audit the suspected mis-appropriation was Rs.62,945/- on account of excess issue of barbed wire whereas the Department stated that an excess amount of only Rs.5,409/98 was made due to inadvertent mistake. Which had already been recovered.

43. The Committee recommended that the para may be dropped subject to verification of recovery and recalculation. If the contention of the Audit was found correct then the whole amount may be recovered within three months failing which departmental/criminal action, coupled with recovery, may be initiated. Progress of verification of recovery and recalculation be reported to PAC within one month. Para stands.

D.P. 618 Suspected mis-appropriation of Rs.99920/-.

44. The Audit pointed out that neither the Timber was accounted for in Form-7 nor its disposal could be shown to Audit, the cost of the Timber approximately valuing Rs.999,920/- was, therefore, suspected to have been mis-appropriated.

45. The Department stated that Form-7 was lying in the Office of Ranger Officer and not D.F.O. Nowshera and all entries were made in the said form.

46. The condition of the Department was not supported by any evidence. The documents, produced were perused by the Committee and apparent manipulation/overwriting was found to have been committed so much so that there was no date on the paper. Taking into consideration this fact also with the fact that the timber was not shown accounted for in Form-7, the Committee directed the recovery of the amount from the concerned DFO within three months. In case the amount was paid voluntarily then no

departmental action and no adverse entries in the ACR be made otherwise disciplinary proceeding and criminal action, coupled with recovery in the shape of land revenue be made. Para stands.

D.P. 608 Non recovery of Government dues worth Rs. 60,689 million.

47. Since the recovery had been made, the Para was recommended to be dropped subject to verification by the Audit.

48. The contention of the Finance Department that mark up should also have been recovered, was not accepted by the PAC.

D.P. 609 Non recovery of fine amounting to Rs.553,448/-.

49. According to the Department the case was pending in the court. The Committee directed the Department to pursue the case vigorously. At the same time, the Committee was of the opinion that the Ranger Officer and DFO are originally responsible for negligence. The Secretary of the Department was directed that a Departmental enquiry may be initiated against the 2 Officers and if he deem fit any other person involved in the transaction can be put to task.

50. Result of the enquiry may be reported to PAC within 3 months. Para stands.

D.P. 693 Outstanding amount of Rs.12,443 million.

51. After detail discussion it transpired that the Department had recommended the case to SMBR for the recovery of the amount. The representative of Law Department stated that Deputy Commissioner can effect recovery under the West Pakistan Government Dues Recovery Ordinance, 1962. The Committee directed that SMBR may consult the Law Department and send a case for recovery to District Collector. The Committee pre directed the Deputy Commissioners concerned that after the receipt of the instruction from the SMBR, recovery should be effected within a period of 4 months positively as the Government dues were outstanding since long period.

D.P. 607 Non payment of Rs.1.332 million by F.D.C.

52. According to the Department full payment had been made. The Para was recommended to be dropped subject to verification by the Audit.

D.P. 665 Loss of Rs.11.992 million to Government due to non payment of find.

53. After detail discussion it was directed that amount of Rs. 11.992 million may be recovered from the DAC within six months. Progress be reported to Pac. Para stands.

D.P. 694 Non realization of outstanding Government dues Rs.0.563 million.

54. As per decision against D.P. 693.

D.P. 592 Non deposit of Rs.0.314 million realized as compensation.

55. It was contended by the Department that recovery had already been effected. The Para was recommended to be dropped subject to verification by the Audit.

56. The meeting was adjourned till 11-08-1997 at 09:30 A.M.

CHAMKANI)

Sd/-
(HIDAYATULLAH KHAN

Chairman,
Public Accounts Committee.

PROVINCIAL ASSEMBLY OF N.W.F.P.

Thursday, the 11th August, 1997.

15th Sitting of PAC.

HEALTH DEPARTMENT.

The public accounts Committee assembled at 10.00 A.M. in the Conference Room of the Frontier House Abbottabad to examine the Audit Report on the Accounts of Government of NWFP for the year 1994-95 pertaining to Irrigation Department. The following were present:-

PUBLIC ACCOUNTS COMMITTEE:

- | | | |
|----|---|----------|
| 1. | Mr. Hidayatullah Khan Chamkani,
Speaker. | Chairman |
| 2. | Mian Iftikhar Hussain, MPA. | Member |
| 3. | Mian Gul Asfandyar Amir Zeb, MPA | Member |
| 4. | Mr. Pir Muhammad Khan, MPA | Member |
| 5. | Mr. Ali Afzal Khan Jadoon, MPA | Member |

AUDIT DEPARTMENT:

1. Mr. Shafiullah Khan,
Director General.
2. Mr. Sikandar Khan,
Director.
3. Mr. Muahmmad Ayaz,
Deputy Director.
4. Mr. Murtaza Khan,
Deputy Director.

IRRIGATION DEPARTMENT.

1. Mr. Abdul Qayyum,
Director Small Dams.
2. Mr. Asif Ali Khan,
Chief Engineer (Dev).
3. Mr. Muhammad Iqbal Khan,
Chief Engineer.
4. Mr. Abdul Hamid Khan,
Superintending Engineer (Floods).

FINANCE DEPARTMENT:

1. Mr. Abdus Samad,
Additional Secretary.
2. Mr. Gul Zeb Khan,
Deputy Secretary.

LAW DEPARTMENT:

Mr. Muhammad Shaukat,
Deputy Secretary.

PROVINCIAL ASSEMBLY:

1. Mr. Nazir Ahmed,
Additional Secretary-I
2. Mr. Muhammad Mushtaq,

Additional Secretary-II

3. Mr. Amanullah,
Deputy Secretary-I.

2. The meeting commenced with recitation from the Holy Quran followed by translation.

D.P No.650 Irregular and un-authorized expenditure of Rs.11.624 million without budget allotment.

3. The Audit Department reported that a sum of Rs.1,31,30,231/- was paid unauthorisedly on the protection of Amandara Head Works without sanction of the Finance Department.

4. The Department explained that the work was of emergency nature and carried out according to the provision of rule 178 of G.F.R. and the requirements of the said rule were complied. It was added that only a sum of Rs.16 lacs was lying in balance and the rest of the amount had been recovered.

5. The Finance Department contended that under rule 178 of G.F.R. the Irrigation Department should have informed the Accountant General, which the Department has failed to do so. Clarifying the point, Chief Engineer stated that Accountant General had already been informed and the provision of G.F.R. had strictly been followed. However, he admitted that no sufficient funds were available and the Department had incurred expenditure in anticipation of availability of funds. The Department further added that the land acquired was now the property of the Government and the Asian Development Bank had almost paid its share.

6. The Committee after detail discussion agreed with the contention of the Department and directed that sanction of the Finance Department may be obtained within three months and progress be reported to PAC. The Department was warned to be careful in future and such type of expenditure should be avoided without properly going through the Rules and Regulations and unauthorized expenditure must be avoided in future. With the above observation the Para was recommended to be dropped.

D.P No. 638 Un-authorized expenditure of Rs.70.520 million without budget allotment

7. The para was discussed in detail. The Chief Engineer at the very outset honestly stated that a preliminary enquiry in this case was conducted and it was established that 85% embezzlement was involved. Later on, final enquiry was conducted, and the Chief Secretary being Authorized Officer imposed a minor penalty of censure on the defaulting officer.

8. The Committee noted this state of affairs with great surprise and in the light of the statement of Chief Engineer, directed that 85% amount which according to Audit comes to Rs.5 crore 95 lac, may be recovered from the officers concerned i.e. XEN, SDO and Sub-Engineer at the ratio of ½ from

XEN alone and ½ from both the SDO and Sub-Engineer on equal share within three months. If the recovery was made voluntarily in time, no departmental action and no adverse entries in the ACR be made. But if they failed to deposit the amount within the stipulated period, then departmental/criminal proceedings, coupled with recovery, may be initiated against them. Progress be reported to PAC. Para stands.

D.P No.653 Irregular and un-authorized expenditure of Rs.1,18,35,501/- out of M&R Funds on original and new works.

9. It was very honestly conceded by the Chief Engineer Irrigation Department who was also the Provincial Coordinator for the Flood Commission that they would get the amount from the Commission within a period of six months. Taking into consideration the frankness of the Chief Engineer, whom the Committee appreciated and relied upon his statement, recommended that the Para may be dropped with the observation that the Committee may be informed about the accomplishment of the job. The Committee also directed that the Chief Engineer should proceed against the persons departmentally, irrespective of the fact that the case was under investigation with the Anti-Corruption Department and this Committee be informed about the result of the departmental action within three months.

10. The Audit reported that in the Peshawar Canal Division, an expenditure of Rs.1.278 million was incurred on the repair of residential buildings out of fund meant for repair and maintenance of canals, which was irregular and unauthorized.

11. The Department contended that in compliance with the directives of the DAC, the case was referred to the Finance Department for solution of the issue. The Finance Department released separate allotment for the Irrigation Colony. It was contended by the Chief Engineer that being an old convention, the Department had adopted the past procedure. However, when objected by the DAC, the Finance Department was approached and the Department obtained approval for the special funding under the relevant Heads. Taking into consideration the explanation of the Department the Committee recommended that the Para may be dropped with the direction that in future the Department should strictly abide by the Rules and Regulations.

D.P. 667 Unauthorized expenditure of Rs.0.108 million.

12. The Audit reported that in Warsak Canal Division, Peshawar an expenditure of Rs. 107,685/- was incurred over the deposits received for the flood restoration work during 1991-92.

13. The Chief Engineer stated that a case for reimbursement was prepared and sent to Donor Agency, but they did not agree to the reimbursement. On a query, that on what grounds the concerned quarter refuse to the reimbursement, the Chief Engineer explained that documents were not

submitted to the supervising consultant in time. However, he added that the work was done according to the approved programmed.

14. After detail discussion it was admitted that the expenditure was placed in P.W. Deposits instead of miscellaneous P.W. advance in total disregard of Para 357 of C.P.W.A. Code. Therefore, the Committee directed that a departmental action may be taken against the XEN and others responsible for not taking timely action for reimbursement. The report of the department action should be completed within three months and report be submitted to PAC. With the above observation the Para was recommended to be dropped.

D.P. 644 Irregular/un-authorized payment.

15. The Department accepted the irregularity and stated that the salaries of work charged establishment should have been charged to developmental scheme only. However, he stated that the funds allocated were surrendered to the Finance Department.

16. The Para was recommended to be dropped subject to verification of surrendered statement by the Audit and with the direction that in future the Department should strictly follow the Rules and should charge the salaries of work charge only to the developmental schemes.

D.P. 641 Irregular award of work costing Rs.1.757 million without open tender system.

17. The Audit reported that in the Irrigation Division Chitral an agreement was executed with a firm for the feasibility studies of a scheme with an estimated cost of Rs. 17,56,550/-. The necessary tender documents were not produced to Audit repeated demands.

18. When pointed out in 09/1993, it was stated that the agreement was approved by the competent authority and as such tender documents were not needed in this case.

19. The reply was not tenable. M/S MMP (Pvt) was not the sole consultants in Pakistan. Had the work been put to tender, there would have been more competitive and economical rates.

20. During the course of discussion, there was strong objection about the advertisement, because the working paper contained the cutting of the newspaper, which did not contain the name of the newspaper coupled with other violation of the Rules. The Committee directed that inter departmental inquiry consisting of representative of Law, Finance Audit and Irrigation Departments be constituted to probe into the matter within three months and report submitted to PAC, Para stands.

D.P. 626 Unauthorized payment of Rs.0.239 million on account of running charges of vehicle used by Minister Irrigation and PHE Department.

21. It was contended by the Chief Engineer that from the record it was clear that the vehicle was in the use of Minister Irrigation. After detail discussion it was held that an illegal order of the Secretary was implemented by the XEN concerned.

22. The Committee directed that $\frac{3}{4}$ th of the amount should be recovered from the Minister concerned and $\frac{1}{4}$ th from the Secretary and XEN concerned on equal basis within three months. Progress may be reported to PAC. Para stands.

D.P. 659 Unauthorized advance payment to a firm.

23. The Department explained that against the out standing amount of Rs.399558/- a sum of Rs.20000/- had been refunded by the United Bank Limited, Peshawar.

24. It was admitted by the Department that the contract agreement was not vetted by the Law and Finance Departments. The Finance Department contended that in such like case the contract should have been vetted by the Finance Department as well as Law Department.

25. The Committee observed that had the contract been vetted by the said departments, the defects in the contract would have been removed. It was further observed that the amount of Rs. One lac was not forfeited by the XEN concerned, hence, the Committee directed that this amount may be recovered from the XEN concerned.

26. With regard to Rs.2,00,00/- recovered by the Department, the Audit was directed to verify the same.

27. In respect of Rs.339,558/- the Chief Engineer stated that they were in active correspondence with the Bank concerned, but the documents produced showed that the Bank had a counter claim against the Department, but still the Chief Engineer hoped that they would recover the amount in question.

28. The Committee directed that it should also be recovered from the XEN within three months, in case he failed to get the same through his own efforts from the Bank.

29. The amount must be recovered within three months and if paid well in time, then no departmental action against the XEN and no adverse entry in the ACR may be made, but if he failed to do so, then departmental as well as criminal proceeding, coupled with recovery may be initiated against him. Progress in this respect be reported to PAC.

30. As for as the payment pertaining to the interest was concerned, it was dropped because it was not within the contract agreement.

31. The Department was also directed that in future all such agreements which involved huge expenditure must be vetted from Finance and Law Departments, failing which no such concession would be extended in future. The norms of Rules must be followed. Para stands.

D.P. 671 Expenditure without obtaining technical sanction.

34. The Audit Department reported that an expenditure of Rs.5.450 million was incurred on the work "Kot Azam Kaw Abadi Scheme" upto 1993-94 without obtaining technical sanction and they insisted that technical sanction should have been obtained as per relevant provisions.

35. After detail discussion the Committee directed that the Department should get the technical sanction immediately. The Committee also ordered that an inter departmental inquiry team consisting of the representatives of Law, Finance, Audit and Irrigation Departments be constituted to probe into the matter within three months as to why technical sanction was not obtained in time, fix responsibility and report submitted to PAC. The Department was fully confident to execute the undertaking from the beneficiaries. Para stands.

D.P. 673 Irregular payment of Rs.4656970/-.

36. The Department explained that 25% work had been done but the rest of the work had been left out incomplete. All legal formalities in this case had been completed and now the Government has appointed arbitrator in this case.

37. From the lengthy discussion the Committee reached the conclusion that all possible efforts under the Rules were made by the Department but ultimately the Government appointed arbitrator and the decision of the arbitration is available on record. A summary of the arbitration had already been sent to Chief Minister. According to the Chief Engineer (Dev) after the implementation of the arbitration, they will immediately re-tender the work with full legal/codal formalities. However, this Committee is of the opinion that in case of retendering it should not be accepted in favour of the present contractor at all. The Committee also directed the Department to consider the conduct of the contractor concerned and proceed against him in accordance with the Rules. In view of the above the Para was recommended to be dropped.

38. The meeting was adjourned till 12-08-1997 at 09:30 A.M.

CHAMKANI) (**HIDAYATULLAH KHAN** Sd/-
Chairman,
Public Accounts Committee.

PROVINCIAL ASSEMBLY OF N.W.F.P.

Thursday, the 12th August, 1997.

16th Sitting of PAC.

IRRIGATION DEPARTMENT.

The public accounts Committee assembled at 09.50 A.M. in the Conference Room of the Frontier House Abbottabad to continue examination of the Audit Report on the Accounts of Government of NWFP for the year 1994-95 pertaining to Irrigation Department. The following were present:-

PUBLIC ACCOUNTS COMMITTEE:

1. Mr. Hidayatullah Khan Chamkani, Chairman
Speaker.

- | | | |
|----|----------------------------------|--------|
| 2. | Mian Iftikhar Hussain, MPA. | Member |
| 3. | Mian Gul Asfandyar Amir Zeb, MPA | Member |
| 4. | Mr. Pir Muhammad Khan, MPA | Member |
| 5. | Mr. Ali Afzal Khan Jadoon, MPA | Member |

AUDIT DEPARTMENT:

1. Mr. Shafiullah Khan,
Director General.
2. Mr. Sikandar Khan,
Director.
3. Mr. Muahmmad Ayaz,
Deputy Director.
4. Mr. Murtaza Khan,
Deputy Director.

IRRIGATION DEPARTMENT.

1. Mr. Asif Ali Khan,
Chief Engineer (Dev).
2. Mr. Muhammad Iqbal Khan,
Chief Engineer.
3. Mr. Abdul Hamid Khan,
Superintending Engineer (Floods).
4. Mr. Akhtar Pervez,
Superintending Engineer.

FINANCE DEPARTMENT:

Mr. Abdus Samad,
Additional Secretary.

Mr. Gul Zeb Khan,
Deputy Secretary.

LAW DEPARTMENT:

Mr. Muhammad Shaukat,
Deputy Secretary.

PROVINCIAL ASSEMBLY:

1. Mr. Nazir Ahmed,
Additional Secretary-I
2. Mr. Muhammad Mushtaq,
Additional Secretary-II
3. Mr. Amanullah,
Deputy Secretary-I.

2. The meeting commenced with recitation from the Holy Quran followed by translation.

D.P. 676 Irregular and unauthorized excess execution of work of Rs.4.505 million.

3. The Audit reported that the work remodeling of Abazai gated weir S.H. Providing stone apron down steam of Abazai weir (Bay No.3&4), was put to tender at an estimated cost of Rs. 18,78,000/- and awarded to contractor at 37% below the estimated cost. The work was required to be completed at a cost of Rs.11,83,000/-, but the final bill revealed that the work was completed at a total cost of Rs. 11,83,000/-, but the final bill revealed that the work was completed at a total cost of Rs.4.505 million and contractor was paid Rs.2.838 million (by deducting 37% below premium). The increase in expenditure to the tune of Rs. 14% above the estimated cost was irregular and unauthorized.

4. The Chief Engineer (Development) read out the reply of the Department contained in column No.3 of the working paper. On a query by the members with regard to an enquiry as ordered by the DAC, the Chief Engineer (Dev) admitted the delay in completing the enquiry. Moreover, he submitted that the enquiry report contained certain shortcomings, therefore, the said enquiry had been returned, which was still to be completed.

5. From the discussion it transpired that according to original survey 156 oft material was excavated and that was the job of the contractor to have removed the same, but instead of removing it that was duped to an other place and later on compensating the contractor a contract for 1,42,000 oft was given. At the DAC level it was decided in October, 1995 that the matter should be inquired into and accordingly an Enquiry Officer was appointed to conduct an enquiry but till this day it was not finalized. The circumstances were such, which clearly showed that it was clear cut intentional act to please the contractor.

6. Under the circumstances, the Committee ordered the recovery of loss of Rs.16,55,000/- from the XEN concerned within three months, failing which departmental/criminal proceedings coupled with recovery may be initiated against him.

7. The Committee also directed that departmental action should be initiated against the Enquiry Officer who kept sitting on the enquiry for a long time of about three years.

D.P. 619 Irregular and uneconomical award of work of Rs.9.988 million without publicity and Unauthorized payment of Rs.64098/- to the local weeklies.

8. The Chief Engineer Irrigation read out the reply of the Department contained in Para 3 of the working paper. On a query the Department explained that in pursuance of the decision of DAC, an enquiry had been conducted.

9. The inquiry Officer in his report stated that XEN Paharpur Irrigation Division D.I. Khan in the detail reply has explained that certain works were advertised through Director information, NWFP but owing to the flood emergency on spurs, the period for publication of advertisement fixed by the Information Department was too long to wait for commencing works of emergent nature as the Mund village was under threat and the publishing of the tender in the national dailies could have resulted in complete washing away of the village.

10. The Committee observed that had there been such emergency as stated by the Department, due to which the information Department was by passed to have floated the tenders. In that case the tender should have been floated in dailies instead of floating it in weekly newspapers. Floating it in the weekly transpires that there was no real emergency of any sort.

11. After detail discussion it came to light that the inquiry report is quite contradictory to the version of the Department as sole process is village Munda and the Audit Department version was that no work had been done in respect of the said village. The contention of the Department was that the information Department usually delays the publishing of advertisement in the press for such a long period that it just destroys, the very theme of emergent nature of work. But in this particular case it was noticed by the Committee that if for the sake of arguments we by pass the Director Information, even then the Department should have approached the dailies and not weeklies because they by their conduct have delayed the work by six days thereby definitely ignoring emergency by approaching to the weekly. It was also pointed out that one of the XEN is dead and the other one is alive, so under the circumstances the Committee was of the view that the amount of tenders which were issued by the alive Engineer should be recovered from him only. Therefore, the arguments seems plausible and the Committee ordered the recovery of that portion to be effected from the XEN within three months. If the recovery is made within the stipulated period no departmental action/adverse entry in the ACR be made, but if he failed to deposit the amount then departmental action coupled with the recovery may be initiated against him.

12. The Committee directed the Information Department that whenever emergency nature of work is sent by the irrigation or any Department for floating tenders in the newspaper they should give priority and do that within forty eight hours. It was also contended by the Department that there was no compulsion on them to approach the Information Department for floating tender of works under the Rules but because of the Finance Department own embargo they have made this compulsory. The Committee further directed that Irrigation, Law, Finance and Information Departments should sit together and solve this issue once for all. Progress be reported to PAC. Para stands.

D.P. 610 Wasteful expenditure of Rs.0.236 million on consultancy.

13. The Department explained that the services of consultants were essentially required for scrutiny of survey design and supervision of M&R work, because the quantum of works of works and their location was scattered over large areas.

14. The Committee observed that there were no necessity for consultancy for M&R. The Chief Engineer Irrigation very honestly admitted the observation of the Committee and told that the consultancy was not required in the present case. The Committee directed that the amount of Rs. 2,36,000/- be recovered from the Secretary. Chief Engineer and XEN on equal basis within three months.

15. If the amount is recovered from them within the stipulated period, no departmental action/adverse entry in the ACRs may be made, but if they failed to deposit the amount within the stipulated period, then departmental/criminal action be initiated coupled with recovery against them. Progress be reported to PAC. Para stands.

D.P. 559 Un-authorized payment of Rs.0.200 million on account of running charges of vehicles.

16. Decided as per Para 626 on 11-10-1997. The amount of recovery involved in this Para is Rs.1,99,594/-.

D.P. 632 Over payment of Rs.1,331 million.

17. The Chief Engineer (Dev) had very rightly conceded that the contention of Audit Department was correct, but with a modification that the loss incurred was that of 2 month only and not 3 months.

18. The Committee directed that loss of Rs.1,40,000/- may be recovered from the XEN concerned, who had made the payment within 3 months. If the recovery is made within the stipulated period no departmental action and no adverse entries in ACR be made. However, if the recovery was not made in time then Departmental/criminal action, coupled with recovery, may be initiated against the concerned official. Any how, the XEN is at liberty to settle his account with the concerned consultant. Progress may be reported to PAC. Para stands.

D.P. 629 Over payment of Rs.0.124 million to contractor due to recovery of Road Roller charges at lesser rate.

19. The Audit reported that in the Warsak Canal Division Peshawar recovery on account of Road Roller charges was made from the contractor @ Rs.137/76 and Rs.117/48 per hour as was stipulated in schedule "C" of the contract agreement resulting in over payment of Rs.1,23551.59.

20. The Department contended that pursuant to the direction of DAC an enquiry had been conducted according to which the rate of Rs.265 per hour on account of Road Roller was exhibited schedule "C" of the contract

agreement but recovery was made @ Rs.137/26 per hour in accordance with the rate sanctioned by the Superintending Engineer, without fuel, when the fuel etc was arranged by the contractor, the recovery so made was justified and no over payment was involved.

21. After detail discussion it came to light that under the original contract signed by the parties there was no such clause that the cost of fuel will be deducted. Any subsequent preparation of estimate will not help the Department.

22. The Committee recommended and directed that recovery of the amount of Rs.1,23,552/- may be made from the XEN concerned due to the fact that the contractor had already gone to court, which further supported the view of the Committee that recovery process was initiated by the Department otherwise there was no sense for the contractor to have gone to the court for any remedy. At the same time the Department had not produced any documents as to whether there was any stay in the matter or with what purpose the contractor had gone to the court.

23. The Committee directed that the recovery of the amount may be made within three months. No adverse entry in the ACR may be made if he deposit the amount within stipulated period. If he failed to deposit the amount in time then departmental/criminal action may be initiated coupled with recovery. Progress may be reported to PAC. Para stands.

D.P. 625 Over payment of Rs.99.046 million.

24. After detail discussion the Committee directed that already decided twice in the DAC, recovery of overpayment of Rs.99.046 million shall be made from the concerned XEN within three months, failing which Development/criminal action, coupled with recovery, may be initiated against him.

D.P. 670 Over payment of Rs.0.104 million.

25. The Department admitted the contention of the Audit and assured that recovery would be made within six months.

26. The Committee accepted the explanation of the Department and directed that recovery of Rs. 1,03,950/- to be effected within six months from the concerned officials positively. If the recovery was made in time, no departmental action and no adverse entry in the ACR be made of the defaulting officials, but if they failed to deposit the amount then departmental/criminal action, coupled with recovery may be initiated. Progress be reported to PAC. Para stands.

D.P. 677 Over payment of Rs.59843/-.

27. The Para was recommended to be dropped with the observation that in future no general observation of the consultant will be acceptable to the Committee. He should always give his opinion about the case in hand. It was pointed out that six enquiries reports were sent by an XEN on one and the same day although he slept on the same for almost one year and nine months. This position was not acceptable to the Committee and directed the department that displeasure of the Committee be conveyed to the XEN (E.O.) concerned that in future such an inordinate delay will be used against him leading to the departmental action.

D.P. 680 Over payment of Rs. 683845/-

28. The Committee observed that according to the Enquiry Officer it was an irregularity which was later on covered and at the same time recommended that the Para be dropped and XEN be warned. From the report it reveals that the Enquiry Officer had favoured the offender inspite of the fact that he admitted that the persons concerned had committed wrong.

29. The Department contended that further improvement on the already approved rate was not warranted by Law. The Committee directed the Department to make the recovery of Rs.6,83,845/- from the XEN concerned within three months. If the payment is made within the stipulated period no departmental action and no adverse entry in the ACR may be made, but if he failed to deposit the amount within time, then departmental/criminal action coupled with recovery may be initiated. Progress be reported to PAC. Para stands.

D.P. 682 Recovery of Rs.22,060/-.

30. The Para was discussed in detail. The Committee observed that the rate was given by the contractor for material and it was due to share kindness on behalf of the Department that the material was provided by them from their own store and as per Audit objection the labour rate were not in accordance with the prevailing circumstances. The Committee recommended and directed that the amount of Rs.22,060/- shall be recovered from the XEN concerned within three months. If the amount is deposited in time, no departmental action, no adverse entry may be made in the ACR, but if he failed to deposit the amount in time then departmental/criminal action coupled with recovery may be initiated. Progress be reported to PAC. Para stands.

D.P. 604 Un-necessary blockage of Government funds Rs.0.207 million.

31. The Department explained that as per decision of DAC, an Enquiry was conducted by the S.E. and accordingly a Sub-Engineer was held responsible.

32. In view of the inquiry report the Committee directed that recovery of Rs.2,06,766/- shall be made from the concerned Sub-Engineer within a period of 4 months. If the amount is paid in time, no departmental

action, no adverse entry in the ACR may be made, but if he failed to deposit the amount then departmental/criminal action coupled with recovery may be taken against him. Progress to be reported to PAC. Para stands.

D.P. 655 Losses to Government worth Rs.19,846 million.

33. The Department explained that they have proceeded according to the contract agreement. The Committee observed that the contract had not been vetted by the Finance Department and Law Department. Had the contract agreements been vetted by the concerned Departments, such defective contract agreement would not have been made.

34. The fate of the case is such which warranted penalty on the Department but after the perusal of the record it revealed that on behalf of the Department sufficient action was taken. The XEN produced a document in which they were directed by the Secretary that in such circumstances they should proceed according to the original contract agreement and should not be afraid of doing fair work. Although the order of the Secretary concerned was a clear violation of the Financial Rules but the circumstances were such from which it can be inferred that the Secretary of the Department was ignorant of Law which is no excuse. The Committee directed the Department that displeasure of this Committee be conveyed to the concerned Secretary with warning that in future whatever may be the position, all such type of agreements which ultimately burden the Provincial Government must be vetted by law and Finance Departments. The Law and Finance Departments must vet the same within 15 days of receipt of the contract agreement.

35. The Department was further directed that in future they should be careful and should not obey the illegal order and should put forth a summary with dissenting note thereon otherwise such an excuse will not be acceptable to the Committee. Under the circumstances the Para is recommended to be dropped reluctantly.

36. With regard to receipt of loans/donations, the Committee directed that such funds coming from other sources must be deposited in the Account-I of the Finance Department.

D.P. 656 Loss of Rs.418900/- to Government.

37. The Department explained that as per directive of the DAC inquiry has been completed and the XEN had been held responsible. Accordingly notices have been issued to the defaulting Engineer for recovery. The Department also added that concerned officer had preferred an appeal to the Secretary, which is pending.

38. From the above facts, the factum of fault had been admitted by the Department. Under the circumstances the Committee directed that recovery of Rs.4,18,900/- shall be effected from the XEN concerned within three months. If the amount is paid in time, no departmental action and no adverse entry in the ACR may be made, but if he failed to deposit the amount

then departmental/criminal action coupled with recovery may be taken against him. Progress may be reported to PAC. Para stands.

D.P. 652 Acceptance of tenders at a high cost.

39. The view of the majority members was that under the circumstances the cancellation of the first tender was justified because the donor agency had different methods of inviting tenders and reimbursement in its own way. The XEN concerned had sent a reply with protest to the Department that he was the appropriate person but was not consulted at the time the reply was given to the DAC, rather he was not consulted at all. He gave so many plausible reasons in his reply which were acceptable to the majority members of the Committee. The main point which was argued in rebottle was that the availability of funds was no bar in the way. When Department wants to do a work they apply Para 127 of CPW Code for the purpose of that job.

40. Respecting the majority view, the Para was recommended to be dropped, but the Committee directed the Department that in future till they are not sure, then they should not invite tender and if they do so afterward, then such excuse will not be tolerated in future.

D.P. 648 Recovery of Rs. 3366243/-.

41. The case was discussed in great detail. In the instant case the only reliance was placed on a cutting allegedly from Daily Mashriq, which was perused by the committee members. The cutting was apparently found to be fake one and in no other daily the bids were published, which transpired that Department was trying to fraudulently defend their case.

42. Under the circumstances the Committee ordered the recovery of Rs. 33,66,243/- from the XEN concerned within three months, failing which departmental/criminal action be initiated against him coupled with recovery of the said amount.

43. The Committee also directed the Department that in future no photocopy of any newspaper daily or weekly will be acceptable. They must produce original cutting and full scape of the paper from which one can easily derive the name of the paper the item was published in.

44. The Committee also noted with concern the conduct of inquiry officer and directed to convey its displeasure to him who conducted this inquiry, which amounts to nothing but the abetment of the misdeed committed by the principal offender. Progress be reported to PAC. Para stands.

D.P. 639 Extension of contract at enhanced rate.

45. As for as the first position of extension of work was concerned that was very genuinely explained by the Chief Engineer and the Committee

agreed with his plausible arguments put forth, because high level meeting was held in which it was decided that the extension of 480 days be granted to him.

46. As far as the second extension was concerned, the Department had badly failed to submit any cogent reason, therefore, taking into consideration this sort of affairs, the Committee was of the view that second extension was not warranted under the Rules.

47. In view of the above the Committee directed that a sum to the extent of the second extension i.e. Rs.805,955/- shall be recovered from the concerned Secretary Irrigation within 3 months, as a letter on his behalf was read out before the Committee in this regard.

48. If he failed to deposit the amount in time then departmental/criminal action may be taken against him coupled with recovery. Progress may be reported to PAC. Para stands.

D.P No.630 Loss of Rs.1.485 million to Government.

49. The case was discussed in detail. The members of the Committee were of the opinion that different methods were adopted by different departments but here the matter was that it was not retendered at subsequent ¾ occasions, therefore, the Committee considered at par rate and by that calculation order the recovery of Rs.3 lac from the XEN concerned within three months, failing which departmental/criminal action be taken against the concerned. If the amount is paid in time then no departmental/criminal action may be taken against the concerned. Progress may be reported to PAC. Para stands.

50. The meeting was adjourned till 13-08-1997 at 09:30 A.,\m.

CHAMKANI)

Sd/-
(HIDAYATULLAH KHAN

Chairman,
Public Accounts Committee.

PROVINCIAL ASSEMBLY OF N.W.F.P.

Thursday, the 13th August, 1997.

17th Sitting of PAC.

IRRIGATION DEPARTMENT.

The public accounts Committee assembled at 09.50 A.M. in the Conference Room of the Frontier House Abbottabad to continue examination of the Audit Report on the Accounts of Government of NWFP for the year 1994-95 pertaining to Irrigation Department. The following were present:-

PUBLIC ACCOUNTS COMMITTEE:

- | | | |
|----|---|----------|
| 1. | Mr. Hidayatullah Khan Chamkani,
Speaker. | Chairman |
| 2. | Haji Muhammad Adeel,
Deputy Speaker. | Member |
| 3. | Mian Iftikhar Hussain, MPA. | Member |

- | | | |
|----|----------------------------------|--------|
| 4. | Mian Gul Asfandyar Amir Zeb, MPA | Member |
| 5. | Nawabzada Mohsin Ali Khan, MPA | Member |

AUDIT DEPARTMENT:

Mr. Shafiullah Khan,
Director General.

Mr. Sikandar Khan,
Director.

Mr. Muahmmad Ayaz,
Deputy Director.

Mr. Murtaza Khan,
Deputy Director.

IRRIGATION DEPARTMENT.

1. Mr. Asif Ali Khan,
Chief Engineer (Dev).
2. Mr. Muhammad Iqbal Khan,
Chief Engineer.
3. Mr. Zafar Ullah Khan,
Superintending Engineer (Floods).
4. Mr. Raqib Khan,
Superintending Engineer.

FINANCE DEPARTMENT:

Mr. Abdus Samad,
Additional Secretary.

Mr. Gul Zeb Khan,
Deputy Secretary.

LAW DEPARTMENT:

Mr. Muhammad Shaukat,
Deputy Secretary.

PROVINCIAL ASSEMBLY:

1. Mr. Nazir Ahmed,
Additional Secretary-I
 2. Mr. Muhammad Mushtaq,
Additional Secretary-II
 3. Mr. Amanullah,
Deputy Secretary-I.
2. The meeting commenced with recitation from the Holy Quran followed by translation.

D.P No.603 Loss of Rs.962,406/- to Government.

3. The Audit department pointed out that on the rejection of first tender and acceptance of revised tender the Government was put to a loss of Rs.9,62,000/- and there was no justification for cancellation of the tender.

4. Giving reasons for cancellation of first tender, the Chief Engineer stated that the scheme was sponsored by the World Bank with certain additional clauses i.e. engagement of manual labour to be included in the tender, so in order to fulfill their mandatory requirement, the work was retendered. He further added that revised PC-I was approved by the competent authority.

5. The plea of the Department was not accepted as there was no justification for retendering except to help Afghan Refugees in the IGP on the labour side.

6. The members of the Committee and Finance Department were of the view that instead of retendering. The first lowest bidder of the first tender should have been recalled and the rates should have been negotiated to include certain additional clauses to make the scheme more labour intensive as per condition of World Bank especially for Afghan Refugees. On a query, the Department stated that the additional conditions of the World Bank were not in the Knowledge of the Department. On another question the Superintending Engineer told that the first bidder did not participate in the second bid.

7. After going through the documents, the Audit pointed out that the conditions of manual labour was inter alia approved since 1987 by the World Bank which should have been specified in the first tender.

8. The Law Department contended the persons who failed to bring the instructions of the World Bank in this respect to the notice of subordinate office would be held responsible.

9. After detail discussion it came to light that Ist tender was recommended for acceptance by the XEN and S.E. but after sufficient lapse of time the Chief Engineer retendered alleging there in that there was certain instructions from the World Bank and its compliance were necessary. The Committee was of the view that the Department should have known before hand about the instructions as those were circulated in 1987. whereas the present case pertained to 1989 and there shall be no excuse for the Department for not specifying these clause while inviting first tender. Secondly the retendering was also made after inordinate delay which naturally resulted into high cost amounting to Rs.9,62,406/- and which could have been easily avoided by not sitting upon the retender for such a long period.

10. The Committee was of the view that Chief Engineer and the first XEN and S.E. all were responsible. The Chief Engineer was responsible because he ordered the retender whereas the other two officers were responsible because they should have incorporated these clauses in the first

tender. The Committee opined that full amount should not be recovered under the circumstances and they should be punished for the negligence only.

11. Under these circumstances the Committee directed that $\frac{1}{2}$ of the losses to be recovered from all the three officers concerned on equal ratio within three months. If they failed to deposit the amount in time then departmental/criminal action coupled with recovery may be taken against the officers. Progress may be reported to PAC. Para stands.

12. The Members of the Committee strongly objected about the conduct of the then Secretary of the Department, who failed to convey the instructions of the World Bank of the notice of subordinate officers in time, therefore, the Committee directed to convey displeasure to him. The members observed that he should have conveyed the instructions whatsoever well in time and hoped that in future such type of negligence will not be repeated.

D.P. 635 Loss of Rs.484,260/- to Government.

13. The case was discussed in great detail and it was noticed that the XEN had totally violated the requirements of the revised detailed sanction estimate, even at the DAC level, it was held that responsibility may be fixed on the officer concerned. Accordingly enquiry was conducted and the Enquiry Officer had gone beyond the reference as in his report, which was read over to the Committee. He had simply stated "no comments" as the contractor had gone to the Civil Court on some other issue. It was also noticed that no stay whatsoever was available with the Department from any court. On the other hand the Department contended that this was also connected with the same issue. The Committee observed that the Enquiry Officer had totally failed to go by the reference made to him by the DAC. Hence under the circumstances, the Committee ordered the recovery of the amount in question from the concerned XEN within three months. If he failed to deposit the amount in time then departmental/criminal action coupled with recovery may be taken against him.

14. It was also recommended that if at later stage the case was directed in his favour he could settle the accounts with the contractor in accordance with the judgment. Para stands.

D.P. 642 Loss of Rs.77,520/- to Government.

15. The Chief Engineer categorically admitted the contention of the Audit that 2% earnest money should have been recovered.

16. The case was discussed in great detail. The Committee along with the Finance and Law Departments was of the view that the officer concerned had deliberately not asked for the earnest money which accrued a loss of Rs.77,520/- to Government. The Committee directed that the amount in question be recovered from the officer concerned within three months because 2% earnest money was legal requirement which had been intentionally violated. If he failed to deposit the amount in question in time then

departmental/criminal action coupled with recovery may be taken against him. Progress may be reported to PAC. Para stands.

D.P. 672 Recovery of Rs.1,72,200/-.

17. The Chief Engineer Irrigation Department stated that pursuant to decision of DAC enquiry was conducted and according to the report of Enquiry Officer the contention of the Audit was incorrect, hence no one was held responsible.

18. The fresh contention of the Department was that the site was shifted according to the model study conducted by Irrigation Research Institute Lahore. On a question about the model study report the S.E. concerned stated that the record was not available with them. Moreover the Department contended that according to the bill, stone worth Rs.1, 72,200/- and not Rs.540, 000/- as alleged by the Audit Department were shifted.

19. Taking into consideration this fact, the Committee after detail deliberation directed the recovery of Rs.1,72,200/- as admitted by the Department, from the defaulting officer within three months. If he failed to deposit the amount in time then departmental/criminal action coupled with recover, be taken against him. Progress to be reported to PAC. Para stands.

D.P No.679 Non accountal of empty bags from the river bed.

20. The Chief Engineer stated that according to the decision of DAC an enquiry was conducted. Nawabzada Mohsin Ali Khan, MPA pointed out that the enquiry ordered by the DAC was delayed for one year and nine month and it was conducted just less than one month before the meting of PAC. The Chief Engineer (Dev) stated that due to late receipt of the minutes from the Secretary, the enquiry was delayed.

21. The contention of the Audit was that the bags removed should have been auctioned @ Rs.2 per bag, to which the Chief Engineer replied that never in his career as Engineer the removed bags were auctioned or taken to the store. Moreover he added that for clearance of drainage the removal of bags were essential. On a query he clarified that it pertained to the drainage and not river.

22. Taking into consideration this categoric statement of the Chief Engineer, the Committee recommended that the para may be dropped. However the Committee took strong view of the manner in which the enquiry was conducted by the concerned official which was quite deplorable. The Committee directed that in future whenever such type of questions arise, the Department should perform their duties forthwith in order to establish the fact as to whether the gunny bags were of any use, which were made of cloths and therefore its removal was necessary and cording to him he has got the photographs of the gunny bags in question.

D.P No.684 Recovery of Rs.2,62,470/-

23. In the instant case the estimated cost was Rs.8,75,000/- and the actual expenditure went up to 22,94,000/- i.e. about 3 times more than the estimated cost. The Department vehemently argued that the lowest bid was rejected because the sid contractor had filed three different call deposits in three different names and for the reason only they rejected the lowest bid. The Committee noticed that it was strange to point out that even today the Department failed to produce the call deposits in original/Photostat before the Committee and stated that after rejection of the tender, the document were returned to the rejected bidder. The Committee observed that on what basis the Enquiry Officer had agreed with the contention of the Department for the rejection of the lowest bid in the absence of such documents./

24. Under the circumstances the Committee ordered the recovery of Rs.2,62,470/- from the concerned XEN within 3 months. In case the amount in question is deposited within the stipulated period, no departmental action and no adverse entry be made in the ACR. But if he failed to deposit the amount in time, then criminal/departmental action coupled with recovery be initiated against him. Progress be reported to PAC. Para stands.

D.P No.685 Unauthorized excess expenditure of Rs.309,000/-

25. In view of the plausible explanation of the Department the para was recommended to be dropped with the observation that in future the Department must get administrative approval and should not go beyond its jurisdiction.

D.P No.686 Repair of Road Rollers.

26. In view of the report of enquiry officer, the para was recommended to be dropped.

D.P No.698 Illegal enhancement of rates.

27. According to the Audit Department the original estimate was for hard soil and the subsequent improvement was just to enhance the rate but nothing else. On the other hand the department relied on the test conducted by the NESPAK, which supports their contention. The test was conducted after the lapse of one year resulting in loss to the Government, which created some sort of doubts in the mind of the members of the Committee. Taking into consideration that doubts on either side the Committee directed that 50% recovery may be made from the concerned XEN within three months failing which departmental/criminal action coupled with recovery may be taken against him. Progress may be reported to PAC. Para stands.

28. The Committee further directed that in future either the test should be made before the start of the work or afterward as soon as possible.

D.P No.699 Loss of Rs.223,306/- to Government.

29. The Chief Engineer stated that enquiry had been conducted as per decision of DAC and the irregularity had been established and recovery would be made.

30. In view of the explanation of the Department the Committee directed that recovery may be made from the defaulting officer within three months positively, failing which departmental/criminal action may be taken against him. Progress may be reported to PAC. Para stands.

D.P No.536 Mis-appropriation of Rs.1.264 million.

31. After detail discussion the Committee recommended that recovery of Rs.1,14,300/- may be made from the concerned XEN within three months, as inspite of the fact that the allegation was brought to the notice of the Department twice by the Audit and the Department at that time had promised that they would obtain information from the concerned staff. To day it has been conceded by the Department that they had not obtained any information from their staff so far, which proves that the contention of the Audit is correct.

32. In case the defaulting officer voluntarily deposits the amount in time then no departmental action/adverse entry in the ACR be made. But if he failed to deposit the amount within the stipulated period, then departmental/criminal action coupled with recovery be started against him. Progress may be reported to PAC. Para stands.

D.P No.651 Mis-appropriation of store worth Rs.206,215/-.

33. It was contended by the Department that the first portion of the para was verified by the Enquiry Officer so the Members agreed with the enquiry report to that extent. As for as issue of stores valuing Rs.53,828/- was concerned that have not been verified and the Chief Engineer contended that it might have been mis-appropriation. Considering his statement the Committee directed the Department that the recovery of Rs.58,828/- shall be made from the defaulting Officer within three months. If the amount is paid in time, no departmental action/adverse entry in the ACR be made, but if he failed, then departmental/criminal action coupled with recovery may be initiated against him. Progress may be reported to PAC. Para stands.

D.P No.678 Mis-appropriation of Rs.944640/-

34. The Department explained that as per decision of DAC an enquiry was conducted and the enquiry officer agreed with XEN concerned to some extent. It was further contended by the Department that revised sanction was obtained on 23/05/1992, from the competent authority before the Audit objection.

35. The para was recommended to be dropped with the observation that in future the Department should strict to the BOQ.

D.P No.628 Non recovery of Govt: dues worth Rs.15.037 million.

36. As per decision against D.P No.673.

D.P No.640 Un-authorized change in design.

37. The Chief Engineer read out the explanation given in column No. 3 of the working paper.

38. The Committee after detail discussion reached the conclusion that a wrong procedure was adopted but considering the two reports of the consultants which contradicted one another revealed that the fault lies with the consultant. The Committee directed the Department that displeasure of the Committee be conveyed to NESPAK. The Committee noticed that all their consultancies were full of doubts. The Superintending Engineer stated that no loss had been accrued to the Government, rather a sum of more than Rs.2 lac was saved for the Government, and before the Committee the S.E guaranteed that if any damage is caused to the project within next 50 years he would be responsible.

39. In view of the above explanation, the para was recommended to be dropped.

D.P No.631 Non recovery of Insurance amount.

40. As per decision against para 673.

D.P No.666 Refund/adjustment of amount already paid to WAPDA.

41. This para pertains to the Department and WAPDA. The Department have shifted their burden to the Finance Department although at a very belated stage, which is not appreciated, but still the matter being in two Governmental institutions, the Committee directed that the Finance Department should claim set off from WAPDA. The para is decided accordingly.

D.P No.615 Outstanding amount of Rs.65620/-.

42. It was contended by the Department that earnest money had already been forfeited and the remaining amount of Rs.65,620/- was in arrear after adjustment and the matter was referred to D.C. for recovery as arrears of land revenue from the contractor. The Committee directed that the concerned XEN may be warned that in future he should be careful. If he had taken a little precautionary measures such type of situation would not have been arisen. The Administrative Department was directed to vigorously pursue the case of recovery with D.C. concerned and the D.C. is directed to recover the amount and submit the report to PAC within three months. Progress may be reported to PAC. Para stands.

D.P No.664 Wasteful expenditure on consultancy.

43. This para is connected with para 671 and form part thereof. However, the Committee directed the recovery of consultancy fee of Rs.9326/- as agreed to by the Chief Engineer within three months. The recovery from the WAPDA may be kept pending till the receipt of fund.

D.P No.637 Non imposition of penalty.

44. The Department was directed to recover the amount of Rs.39,23,992/- from the contractor within three months, as on enquiry it revealed that there was no stay order from any court. It he failed to deposit the amount within the stipulated period, criminal proceedings be initiated against him. Progress be reported to PAC. Para stands.

D.P No.658 Recovery of Rs.1.993 million.

45. The para was discussed in detail. It was contended by the Department that a sum of Rs.1.993 million on account of stores would be recovered from the earnest money of the contractor. In view of the explanation of the Department the Committee directed that the amount shall be recovered within three months positively. Progress to be reported to PAC. Para stands.

General.

46. It came to the notice of PAC that inquiries ordered by DAC are invariably entrusted to the officers of the same Division to which the para relates due to which fair and transparent inquiries are not conducted.

47. In order to have transparent and fair enquiry report, the Committee directed the Department that in future all inquiries be conducted by the officers other than that Division to which the para is related.

48. The meeting was adjourned till 18-08-1997 at 09:30 A.M.

CHAMKANI)

Committee.

Sd/-
(**HIDAYATULLAH KHAN**

Chairman,
Public Accounts

PROVINCIAL ASSEMBLY OF N.W.F.P.

Thursday, the 18th August, 1997.

18th Sitting of PAC.

1. PUBLIC HEALTH ENGINEERING DEPARTMENT.
2. PLANNING, ENVIRONMENT & DEVELOPMENT

DEPTT:

The public accounts Committee assembled at 10.15 A.M. in the Conference Room of the Frontier House Abbottabad to examine the Audit Report on the Accounts of Government of NWFP for the year 1994-95 pertaining to Public Health Engineering and Planning, Environment & Development Departments. The following were present:-

PUBLIC ACCOUNTS COMMITTEE:

- | | | |
|----|---|----------|
| 1. | Mr. Hidayatullah Khan Chamkani,
Speaker. | Chairman |
| 2. | Haji Muhammad Adeel,
Deputy Speaker. | Member |
| 3. | Mian Iftikhar Hussain, MPA. | Member |
| 4. | Mian Gul Asfandyar Amir Zeb, MPA | Member |
| 5. | Nawabzada Mohsin Ali Khan, MPA | Member |

AUDIT DEPARTMENT:

1. Mr. Shafiullah Khan,
Director General.
2. Mr. Sikandar Khan,
Director.
3. Mr. Muahmmad Ayaz,
Deputy Director.
4. Syed Mutahir Shah,
Deputy Director.

PUBLIC HEALTH ENGINEERING DEPARTMENT.

1. Mr. Abdul Aziz Khan,
Secretary to Government of NWFP,
Public Health Engineering Department.
2. Mr. Abdul Jamil,
Chief Engineer.
3. Mr. Abdul Karim Khan,
Chief Engineer (Dev).
4. Mr. Ghulam Saeed Khan,
Superintending Engineer.
5. Syed Daud Shah,
Accounts Officer.

PLANNING, ENVIRONMENT & DEVELOPMENT DEPARTMENT.

1. Syed Iftikhar Ali Shah,
Secretary to Govt: of NWFP,
FE&D Department.
2. Mr. Himayatullah,
Additional Secretary.
3. Mr. Masood Bangash,
Director General, SDU.
4. Mr. Waqar Ayub,
Chief, Foreign Aid
5. Mr. Arif Balouch,
Deputy Secretary (Admn:)
6. Mr. Abdul Khaliq,
F.A.S.(Dev).
7. Mr. Umer Rasool,

Project Manager,
Chitral Area Dev: Project.

FINANCE DEPARTMENT:

Mr. Muhammad Sultan,
Additional Secretary.

Mr. Gul Zeb Khan,
Deputy Secretary.

LAW DEPARTMENT:

Mr. Muhammad Shaukat,
Deputy Secretary.

PROVINCIAL ASSEMBLY:

1. Mr. Nazir Ahmed,
Additional Secretary-I
2. Mr. Muhammad Mushtaq,
Additional Secretary-II
3. Mr. Amanullah,
Deputy Secretary-I.

2. The meeting commenced with recitation from the Holy Quran followed by translation.

**PUBLIC HEALTH ENGINEERING
DEPARTMENT.**

D.P No.02 Mis-appropriation worth Rs.0.838 million.

3. The Audit reported that from verification of advances (suspension account) register, it was observed that credit of Rs.254259/- was afforded to the account of Kohat Cement Factory during 1993-94. No stock on that account showed to have been received rather the adjustment was found the difference of rates against the advance already paid to the factory. In spite of repeated request the Department failed to arrange DAC meeting.

4. At the very outset the Secretary of the Department admitted the fault of non-arranging the DAC meeting in time. The Committee noted this state of affairs with grave concern as to why DAC meeting could not be arranged even after the lapse of 3 years. However, the S.E. clarifying the position told that the Para in question was placed in the agenda of DAC meeting in 1996, but could not be discussed as it had already been included in the Auditor General Report, which could only be discussed by the PAC, the

highest forum for the purpose. Moreover, he added that out of 118 Paras, 108 were discussed/settled in the DAC and only ten paras had been placed before PAC, which included this Para as well.

5. With regard to mis-appropriation worth Rs.0.838 million, the S.E., PHE, read out explanation given in column No.03 of the working paper and stated that no mis-appropriation whatsoever was committed.

6. The members observed that the accounts should have been reconciled with the Factory towards the close of each financial year, in which cement was purchased, which the Department totally failed to do so.

7. From the discussion it transpired that adjustments were not made by the end of each financial year and instead, reconciliation was done after the lapse of about four years. There were certain ambiguities as well, which lead to a presumption of double payment. The Secretary of the Department had given a statement on his honesty that there was no embezzlement whatsoever and not a single penny was paid to any pocket other than the concerned Factory from whom purchase was made. The Committee this time accepted the version of the Secretary, but warned the Department that in future, this type of conduct of the Department would be definitely considered, even if not a clear cut embezzlement was involved but it leads a path towards the commission of embezzlement. The Committee also warned the Department that in future it would not accept any such type of excuse that there was voluminous work or a large number of Audit Paras due to which certain draft Paras could not be discussed in the DAC meeting. Rules and Regulations must be implemented and burden of work could not be an excuse for them in future. The Department was directed to ensure to hold DAC meetings regularly within six months and in the instant case the Secretary was directed to call for explanation of the Account Officer concerned of the Department as to why he failed to arrange for the DAC meeting.

8. With the above observation the para was recommended to be dropped.

D.P. 11 Mis-appropriation worth Rs.0.838 million.

9. The Audit pointed out that in the PHE Division Bannu M/S KSB Pumps submitted an advance bill of Rs.125,500/- dated 31-03-93 for the supply of submersible pump on the supply of order of local office dated 03-02-1993. The local office added Rs.2,51,000/- as cost of two other pumps in the claim raising it to the extent of Rs.376,500/- by altering the advice memo unauthorisedly.

10. The contention of the Department was that only three pumps were purchased from one of the three pre-qualified firm. On a query by the Chair, the Secretary told that the tubewells had already been installed and working perfectly. He added that administrative approval and technical sanction were duly obtained.

11. The Committee observed that the Audit Department was of the view that there was only one tender for one pump instead of three purchased and for the rest two no tender was invited. There was little bit difference of rates in the said pumps as pointed out by one of the Hon'ble member. On a query that whether there was any documents of such tender, the S.E. gave a negative reply. The main argument of the Department was based on customs and convention and that they have been doing all these things for the last 30 years but failed to support their version by any Rules therefore. The Law Department also opined that the Department should have made separate tenders for the purchase of the rest of the pumps.

12. Under the circumstances the Committee directed the Department that whatever may be the factual position, but in future they should strictly comply and go by the Rules and Regulation or in the alternate, the Department may request the competent authority for amendment in the Rules. Till the Rules are amended no such excuse will be accepted in future. With the above observation the para was recommended to be dropped.

D.P. 8 Suspected mis-appropriation of Rs.0.074 million.

13. It was contended by the Department that 484 numbers latrines were completed and technical sanction and estimates were available for the perusal of the Audit Department. The para is recommended to be dropped subject to verification by the Audit.

D.P. 3 Non utilization of fund.

14. The Department contended that the Audit objection was not correct. All 355 latrines were completed in time. It was added that MB and all other relevant documents were available with them, which could be shown to the Audit. Subject to verification by the Audit within one month the para was recommended to be dropped.

D.P. 9 Mis-appropriation of Rs.63,750/-.

15. The Secretary of the Department admitted the omission on part of the departmental officer. However he stated that recovery of Rs.63750/- had been made from the Security of the contractor. On a query, the Secretary explained that no action was taken against the officer responsible for this omission.

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

D.P. 1 Shortage of cement bags.

17. The Department contended that inquiry was conducted and the amount involved had been recovered. Subject to verification, the para is recommended to be dropped.

D.P. 10 Suspected mis-appropriation of Pipes worth Rs.60,016/-.

18. The Department explained that estimate of the scheme and technical sanction had been brought for satisfaction of the Audit as well as members of the Committee. In view of the explanation of the Department, the para is recommended to be dropped.

D.P. 4 Irregular/unauthorized expenditure of Rs. 12,731 million.

19. The Department explained that certain technical sanctions were obtained before the Audit objection was raised but some of them were obtained later on. The PAC noted that some technical sanctions were obtained after six months of the Audit and observed that T.S. so obtained rendered the expenditure incurred as irregular and unauthorized.

20. The main contention of the Audit was the violation of the rule 178 (3) of GFR. The Department contended that they have regularized the expenditure by obtaining technical sanction.

21. The Committee directed that in future the Department should be very careful and they should go by the strict application of Rules pertaining to a particular work. With these observations, the para is recommended to be dropped.

D.P. 5 Irregular/unauthorized expenditure of Rs. 12.731 million.

22. In view of the plausible explanation of the Department, the para is recommended to be dropped subject to verification by the Audit.

D.P. 6 Irregular/unauthorized expenditure of Rs. 12,731 million.

23. The Department contended that instead of Rs. 111 per bag, they have recovered Rs. 140 per bag from the contractor and no loss has accrued to Government. The para is recommended to be dropped.

D.P. 7 Irregular/unauthorized expenditure of Rs. 12,731 million.

24. The Department contended that Chief Engineer, PHED authorized the XEN, PHE Peshawar for making payment to the tune of Rs.244,000/- to the Team Leader GTZ, hence the payment was made accordingly against various items of works.

25. In view of the explanation of the Department, the para was recommended to be dropped with a warning that in future Rules must be implemented in letter and spirit.

D.P. 12 Non consumption of available pipe in stock costing Rs.0.709 million.

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

PLANNING, ENVIRONMENT & DEVELOPMENT DEPARTMENT.

D.P. 908 Unauthorized payment of Rs.24,441 million direct to the contractor.

27. The Secretary PE&D contended that such loans/donations were deposited in the National Bank of Pakistan at New York in accordance with the laid down procedure of the Government of Pakistan Finance Division regarding foreign loans and donations and it became the part and parcel of the Provincial Consolidated Fund. Hence no constitutional violation was involved, as these liabilities were reflected in the Budget estimates which had been approved by the Assembly. He further told that Rules have not been violated rather it could be a procedural accounting irregularity. He threw burden on Finance Department to issue instructions to A.G. who could correct the book. The Accountant General termed it as a macro issue and added that foreign loans must form part of the Provincial Consolidated Fund in accordance with Article 118 of the Constitution. Nawabzada Mohsin Ali Khan supported the contention of Accountant General and identified the problems stating that it should be controlled by the Finance Department and not by the PE&D. The Department, however, once again stated that it was reflected in the budget books and statement of Authorized Expenditure. However payment was made directly to the contractor by the donor agency in accordance with the terms and conditions of the agreement.

28. From the long discussion, it transpired that there was no constitutional violation rather certain accounting procedural problems as admitted by the Administrative Department were involved which definitely, in the long run, will create problem for the Provincial Government one way or the other. So to solve that aspect of the matter, the Committee directed that an inter departmental committee consisting of the representative of PE&D, Finance, A.G., Audit and Law Departments may be constituted in which Haji Muhammad Adeel, Deputy Speaker, Nawabzada Mohsin Ali Khan, MPA and Mian Gul Asfandyar Amir Zeb, MPA members of PAC may be associated to resolve this procedural and accountal error with one clear cut reference from the PAC to the effect that the loan should be spent only in accordance with terms and conditions of the agreement made by the Government with the foreign agency.

29. With the above observation the para is recommended to be dropped.

D.P. 915 Irregular payment of Rs. 0.418 million as fixed TA/DA to Project Director and other officers/officials.

30. The Secretary PE&D contended that TA/DA were being paid to the staff deputed in hard areas as recommended by the donors and agreed to by Project Steering Committee. The members opined that the employees who were on deputation to that projects may be given such incentives but it may not be extended to those officials who were not on deputation to that project.

31. From the lengthy discussion, it transpired that TA/DA of the persons other than mentioned in the list dated 27-10-1996 approved by Project Steering Committee was not in conformity with the Rules. The Committee ordered that recovery should be made from them within three months positively, failing which departmental/criminal action coupled with recovery may be taken against them. Progress may be reported to PAC. Para stands.

DP. 911 Unauthorized and irregular payment of Rs.0.357 million on pay and allowances of chief village level development Co-ordinator.

32. After detail discussion the Committee observed that over payment above Rs. 19000/- p.m. may be recovered from the concerned officer within three months positively. If he deposit the amount in time, no departmental action, no adverse entry in the ACR be made. But if he failed to deposit the amount in time then departmental/criminal action coupled with recovery may be taken against him.

33. Moreover ex-post-facto sanction in this case may be obtained. Progress may be reported to PAC. Para stands.

D.P. 912 Unauthorized/irregular payment of Rs.0.048 million on account of entertainment charges.

34. It was contended by the Department that the amount was duly approved by the PCSB. It was very rightly pointed out that it was very strange type of affairs going on that the representative of the Finance Department not less in rank than the Additional Secretary sits in that very board and at the same time agrees with one proposition but when goes back to his office, he adopts another one. This Committee has also noticed this type of conduct of the Finance Department in so many other cases and the Committee was of the opinion that the Finance Department should mend their dual capacity and should strictly follow the Rules and in future if such type of thing cropped up in any Department, this Committee is of the view that the whole recovery would be made from that person who exercises such type of dual capacity. In the circumstances the Committee gave benefit to the Department and ordered that it will appreciate if the Department asks for condonation taking the same plea which they took before the Committee like in other cases. The para was recommended to be dropped.

35. The meeting was adjourned till 19-08-1997 at 09:30 A.M.

Sd/-
(**HIDAYATULLAH KHAN**
Chairman,
Public Accounts
Committee.)

CHAMKANI)

PROVINCIAL ASSEMBLY OF N.W.F.P.

Tuesday, the 19th August, 1997.

19th Sitting of PAC.

PHYSICAL PLANNING AND HOUSING DEPARTMENT.

The public accounts Committee assembled at 10.00 A.M. in the Conference Room of the Frontier House Abbottabad to examine the Audit Report on the Accounts of Government of NWFP for the year 1994-95 pertaining to Physical Planning and Housing Department. The following were present:-

PUBLIC ACCOUNTS COMMITTEE:

- | | | |
|----|---|----------|
| 1. | Mr. Hidayatullah Khan Chamkani,
Speaker. | Chairman |
| 2. | Syed Muhammad Sabir Shah, MPA | Member |
| 3. | Mian Iftikhar Hussain, MPA | Member |
| 4. | Mian Gul Asfandyar Amir Zeb, MPA | Member |
| 5. | Nawabzada Mohsin Ali Khan, MPA | Member |

BY SPECIAL INVITATION:

Mr. Muhammad Hashim Khan,
Minister for Education, NWFP.

AUDIT DEPARTMENT:

Mr. Shafiullah Khan,

- Director Gneral.
2. Mr. Sikandar Khan,
Director.
 3. Mr. Muahmmad Ayaz,
Deputy Director.
 4. Syed Mutahir Shah,
Deputy Director
 5. Mr.Murtaza Khan,
Deputy Director.

PHYSICAL PLANNING AND HOUSING DEPARTMENT.

- Mr. Akhtar Munir Marwat,
Secretary to Government of NWFP,
Physical Planning and Housing Department.
- Mr.Farooq Azam Khan,
Director General, PDA
- Mr.Khalid Javed,
Director Technical, PUDB.
- Mr. Muhammad Nazir Khan,
Project Director (HAD).
- Mr. Dlawar Shah Roghani,
Director Legal.
- Mr. Fakhar-uz-Zaman,
Director Finance.
- Mr. Manzoor Ahmad,
Director Finance (PMU).
- Mr. Ziaullah Khan,
Director Finance (PDA).
- Mr. Afzal Shah,
Director Buildings (PDA).
- Mr. Jan Ali Khan,
Director PT-I (PMU).

FINANCE DEPARTMENT:

Mr. Ziaur Rehman,
Additional Secretary.

LAW DEPARTMENT:

Mr. Muhammad Shaukat,
Deputy Secretary.

PROVINCIAL ASSEMBLY:

1. Mr. Nazir Ahmed,
Additional Secretary-I
2. Mr. Muhammad Mushtaq,
Additional Secretary-II
3. Mr. Amanullah,
Deputy Secretary-I.

2. The meeting commenced with recitation from the Holy Quran followed by translation.

D.P. 702. Excess of Rs.624,997 million over the approved PC-I.

3. The Secretary of the Department explained that the original cost of land for Ring Road was 427 million which was duly approved and certain component of the construction of Rind Road was not approved. He added that an enquiry in this case had been conducted and the enquiry report sent to Chief Secretary for onward submission to Chief Executive of the Province. He categorically stated that the issue of Ring Road and embezzlement therein were much publicized in different walk of life, therefore, the Secretary requested that the para may be deferred till the enquiry is brought to a logical conclusion. The land was acquired in different stages and from time to time the cost of land was increased, due to which an excess of Rs.482.212 million was made. However he added that the revised PC-I was approved by the ECENIC which was the competent authority.

4. The Para was deferred till tomorrow for submission/production to all relevant documents.

D.P. 762 Extra expenditure of Rs.142.786 million due to delay in the acquisition of land.

5. Deffered till tomorrow for production of relevant record.

D.P. 760 Unauthorized deposit of funds Rs.277.328 million in Private Banks and un-necessary drawl of Rs.19.000 million through self cheques.

6. Deferred till tomorrow for production of relevant record.

D.P. 703 Undue enhancement of Rs.19.399 million resulting in loss of Rs.9.200 million due to abnormal delay.

7. From the lengthy discussion it revealed that the land was acquired under section 50 of the Urban Planning Ordinance, 1978. The representative of the Law Department cited the law wherein there was no provision whatsoever for negotiation. The main argument/excuse of the Department was (i) urgency (ii) that there was apprehension of law and order

situation and they relied on the order of Additional Commissioner who sent back the case to them for revision. The Administrative Secretary of the Department admitted that no appeal/revision was preferred against that order. The Department tried to avail at the same time, the benefit of Land Acquisition Act, 1894 and when that was not in their favour then they go after the Urban Planning Ordinance, 1978, which as explained above wherein there was no provision of negotiation. The circumstances were such that it was a clear cut case which caused loss to the Government by adopting third degree methods. This Committee, coupled with Law and Finance Departments, was of the view that recovery of Rs.1,80,00,000/- as loss calculated by Audit should be made good on equal share from the concerned D.G. , M.D., Director Finance and all others who were party in the process whether in the shape of suggesting, revising and approving it. The recovery may be made from the said officers within 4 months. If they deposit the amount in time then no departmental action, no adverse entry in the ACR be made. But if they failed to do so then departmental/criminal action coupled with recovery may be taken against them. Progress may be reported to PAC. Para stands.

D.P 524 Losses to Government worth rs.67.477 million.

8. After lengthy discussion the Committee observed that the work should have been reentered which the Department admittedly failed to do and due to which a loss of Rs.18 lac as contended by the Audit was established. However keeping in view the honest opinion/statement of the Secretary that second lowest bid for Rs.6.772 million. Which was also lowest than the estimated cost and duly approved by the Committee, was accepted in the best interest of the project and Government, the PAC taking lenient view, ordered that instead of Rs.18 lac a sum of Rs.10 lac may be recovered from the members of that committee on equal share within three months. If they deposit the amount in time then no departmental action, no adverse entry in the ACR be made. But if they failed to do so then departmental/criminal action coupled with recovery may be taken against them. Progress may be reported to PAC. Para stands.

D.P 525 Over payment of Rs.337,316/-

9. The Secretary of the Department explained that in pursuance of the decision of the DAC, inquiry was conducted which held that no one could be made responsible in this case, as no loss had accrued to the Government. The design of the scheme was changed due to public demand and after consultation with the consultant. The scheme was completed at a lesser amount than the estimated cost. During the course of discussion, the Secretary categorically admitted that almost the whole scope of work was changed. The members of the Committee observed that after such changes in the specification, the work should have been re-tendered.

10. From the discussion it transpired that the scope of work was changed an enquiry was conducted which revealed that it was a sort of compulsion of the Department by the then Federal Minister, MPA, and locals of the locality. The contractor had already started the work and therefore, it

was not advisable for them to have dislodged the contractor especially when he had executed the work. As regard last part of the Audit para, the contention of the Department is that after the change of the design some non BOQ items, were executed which indicates that the second lowest bidder also did not offer rates for the non BOQ items and as such question does not arise that the second bidder can become the lowest bidder. For non BOQ items were approved by the Rate Advisory Committee.

11. Taking into consideration the factual position, the Committee warned the Department that in future in case of nay change in the scope of the work, they should not blindly follow the instruction of the superiors and public representatives and should straight away go under the legal process of re-tendering. With the above observation the para was recommended to be dropped.

D.P 530 Loss of Rs.22.507 million to Government.

12. The Administrative Department explained that the amount had been taken back, therefore, the para was recommended to be dropped subject to verification by the Audit.

D.P 531 Filing the premium of insurance.

13. The Committee observed that the enquiry report of the Director Finance, PDA had categorically fixed responsibility on the PMU Administration. As for as the contention of Audit about the insurance claim is concerned, the Committee is of the view that the Department had been so slack in not filing the premium of insurance well in time although the representative of Finance Department said that there is no necessity for giving cover of insurance to Government vehicles. Any way, it was also violation of the regulations of the Government, but still when they did it, they should have covered it and paid premium well in time, which they have not done. Warning should be ssued to the concerned officials that in future they should be careful. As for as the actual cost of vehicle is concerned it was about rs.3,59,900/- and at the time of theft, its depreciation value was Rs.1,08,000/- as fixed by the Enquiry Officer @ 20% depreciation per year.

14. The Committee directed that the Enquiry Officer should pin point the defaulting officer, within two weeks and depreciation value of vehicle i.e. Rs. 1,08,000/- may be recovered from him within three months. If he deposit the amount in time then no departmental action, no adverse entry in the ACR be made. But if he failed to do so then departmental/criminal action coupled with recovery may be taken against him. Progress may be reported to PAC. Para stands.

D.P. 828 Loss of Rs.16.671 million to Government.

15. Deferred till tomorrow for production of relevant record.

D.P. 844 Loss of Rs. 16,380/-.

16. The Department contended that a sum of Rs. 6000/- had been recovered. In view of the above the para was recommended to be dropped.

D.P. 763 Undue blockade of Government money amounting to Rs.0.203 million.

17. The Department admitted that 167 tons of bitumen were available, which could be verified by the Audit and they admitted that 12 tons of bitumen the cost of which according to the Audit comes to Rs.64,000/- were missing. The Secretary of the Department requested that time may be given to him to pin point the actual culprit(s). for this purpose, one month period was given and the Committee ordered the recovery of Rs.64,000/- within three months from the responsible officer(s). The Enquiry Officer to be appointed by the Secretary and should not be below than in rank with the person against whom the enquiry is to be conducted. If they deposit the amount in time, then no departmental action, no adverse entry in the ACR be made. But if he failed to do so then departmental/criminal action coupled with recovery may be taken against him. Progress may be reported to PAC. Para stands.

D.P. 761 Huge loss to the Government due to acquiring land costing Rs.353.189 million at higher rates.

18. Deferred till tomorrow for production of relevant record.

D.P. 825 Over payment of Rs.1.219 million.

19. In view of the plausible explanation of the Department the para was recommended to be dropped with the direction that in future such premium should not be allowed on non BOQ items and specially when such lapse of time comes then they should retender the same.

D.P. 826 Over payment of Rs.574,408/- to the contractor.

20. The Department contended that both the items involved in the para were included in the BOQ having different rates. The explanation of the Department was plausible, therefore, the para was recommended to be dropped.

D.P. 824 Unauthorized enhancement of Rs.5.050 million on negotiation basis on time barred appeals.

21. From the discussion and perusal of the order of the Additional Commissioner, it revealed that he had remanded back the case in the presence of the counsel of both the parties, wherein the appellant stated that the respondent was prepared to have a negotiation with them. So the case was remanded back and soon after that the respondent agreed to the negotiation and the rate was enhanced which was quite contrary to the Land Acquisition

Act, wherein there was no provision of negotiation as disclosed by the representative of the Law Department.

22. The PAC ordered the recovery of Rs.50,50,000/- from all concerned on equal share within four months who entered into negotiation afterwards with the owner of the land. If they deposit the amount in time then no departmental action, no adverse entry in the ACR be made. But if they failed to do so then departmental/criminal action coupled with recovery may be taken against them. Progress may be reported to PAC Para stands.

D.P. 776 Unauthorized expenditure of Rs.6.12 million over and above the sanctioned estimates/BOQ.

23. The contention of the Department was that T.S. was granted by the competent authority. After perusal of the Rules, it transpired that Director Technical quoted wrong Rules in T.S. meaning thereby that he has gone beyond his jurisdiction. The conduct of the concerned officer is also worth noting as he says that whenever T.S. is asked for he accords it, which shows that he has not assigned any reason. He is warned to be careful in future and he should use his brain and should not be just like a thumb impression.

24. The Committee directed to get T.S. within fortnight and regularized the expenditure. The para was decided accordingly.

D.P. 838 Non recovery of Mobilization advance Rs.9.012 million and interest of Rs.0.377 million.

25. Deferred till tomorrow for production of relevant record.

D.P. 775 Blockade/non recovery of secured advance amounting to Rs.0.377 million.

26. The Secretary of the Department contended that the first scheme was abandoned by the Provincial Government and pumps duly packed in the original condition were returned to KSB. He assured that the matter would be finalized within a period of one month. The Secretary was directed to finalize the matter with the concerned quarter and report back to PAC. Subject to the above observation the para was recommended to be dropped.

D.P. 821 Non crediting of Rs. 4.520 million to Government revenue.

27. In view of the explanation of the Department that the amount had been recovered, the para was recommended to be dropped subject to verification by the Audit.

28. The meeting was adjourned till 20-08-1997 at 09:30 A.M.

Sd/-
(HIDAYATULLAH KHAN

CHAMKANI)

Chairman,
Public Accounts

Committee.

PROVINCIAL ASSEMBLY OF N.W.F.P.

Tuesday, the 20th August, 1997.

20th Sitting of PAC.

PHYSICAL PLANNING AND HOUSING DEPARTMENT.

The public accounts Committee assembled at 10.00 A.M. in the Conference Room of the Frontier House Abbottabad to continue the examination Audit Report on the Accounts of Government of NWFP for the year 1994-95 pertaining to Physical Planning and Housing Department. The following were present:-

PUBLIC ACCOUNTS COMMITTEE:

- | | | |
|----|---|----------|
| 1. | Mr. Hidayatullah Khan Chamkani,
Speaker. | Chairman |
| 2. | Syed Muhammad Sabir Shah, MPA | Member |
| 3. | Mian Iftikhar Hussain, MPA | Member |
| 4. | Mian Gul Asfandyar Amir Zeb, MPA | Member |
| 5. | Nawabzada Mohsin Ali Khan, MPA | Member |

BY SPECIAL INVITATION:

Mr. Muhammad Hashim Khan,
Minister for Education, NWFP.

AUDIT DEPARTMENT:

1. Mr. Shafiullah Khan,
Director General.
2. Mr. Sikandar Khan,
Director.

3. Mr. Muahmmad Ayaz,
Deputy Director.
4. Mr. Murtaza Khan,
Deputy Director.

PHYSICAL PLANNING AND HOUSING DEPARTMENT.

1. Mr. Akhtar Munir Marwat,
Secretary to Government of NWFP,
Physical Planning and Housing Department.
- Mr. Farooq Azam Khan,
Director General, PDA
- Mr. Khalid Javed,
Director Technical, PUDB.
- Mr. Muhammad Nazir Khan,
Project Director (HAD).
- Mr. Dlawar Shah Roghani,
Director Legal.
- Mr. Fakhar-uz-Zaman,
Director Finance.
- Mr. Manzoor Ahmad,
Director Finance (PMU).
- Mr. Ziaullah Khan,
Director Finance (PDA).
- Mr. Afzal Shah,
Director Buildings (PDA).
- Mr. Jan Ali Khan,
Director PT-I (PMU).

FINANCE DEPARTMENT:

Mr. Ziaur Rehman,
Additional Secretary.

LAW DEPARTMENT:

Mr. Muhammad Shaukat,
Deputy Secretary.

PROVINCIAL ASSEMBLY:

1. Mr. Nazir Ahmed,
Additional Secretary-I
2. Mr. Muhammad Mushtaq,

Additional Secretary-II

3. Mr. Amanullah,
Deputy Secretary-I.

2. The meeting commenced with recitation from the Holy Quran followed by translation.

D.P. 822 Un-necessary blockade of Government money and undue financial aid to contractor amounting to Rs.47.276 million.

3. The Department explained that second advance were allowed to the contractors as per Rules and contract agreement subject to supply of material on the sit. These were adjusted/recovered in running bills according to the utilization of material. This was a continuous process and recoveries had already been effectuated, which could be verified by the Audit.

4. In view of the explanation of the Department the para was recommended to be dropped with a warning that they should not give such long term advances in future.

D.P. 532 Non crediting of Rs.31.232 million to Government.

5. The Department explained that a sum of Rs.425 million had already been deposited and verified by the Audit party and this part of issue was settled. About the remaining amount , the Finance Department contended that in case the Department failed to deposit the same, then it would be deducted at source from their release. The audit mainly objected that huge funds were lying with the Department but they were not being permitted to examine the record. The Department was directed to allow the Audit Department for the examination of the record. With the above observation the para was recommended to be dropped.

D.P. 777 Irregular expenditure of Rs.0.665 million on the purchase of pajero jeep.

6. It was contended by the Department that the provision of the double cabin existed in PC-I and there was a very little difference of amount and sanction was accorded for the purchase of pajero. Any how the Committee directed that in future whatever may be the provision in the PC-I, the Department should strictly follow the Rules. With the above observation the para was recommended to be dropped.

D.P. 851 Over payment of Rs.0.102 million.

7. It is contended by the Department that because of the visit of President of Pakistan, the work was carried out on immediate order of the higher authorities. The question is of a small amount and it was honestly stated that the repair was made which was understandable because of the visit of the President of Pakistan.

8. The para was recommended to be dropped with the observation that the Department should only go in accordance with the Rules and Regulations in future.

D.P. 581 Suspected mis-appropriation of stock worth Rs.1.362 million.

D.P. 850 Mis-appropriation of 16800 RFT RCC pipe costing Rs.0.613 million.

9. The Department contended that as decided in the DAC meeting held on 08-11-1995, the physical verification had been carried out by the Project Director Hazara Development Authority in the presence of PD(T) and Assistant Director concerned on 08-10-1996. The Department further contended that AC pressure pipes were even now available for verification, whereas, the Audit contended that the register which was shown to the Committee contained RCC pipes.

10. Keeping in view the above stated circumstances, the Committee directed the Audit Department to verify as to whether A.C. pressure pipes were actually available, in case the contention of the Department was found correct, then the paras may be dropped, but if it was found otherwise, then the amount involved in the paras be recovered from the Project Director and storekeeper on equal share within three months and report back to PAC. If they deposit the amount in time then no departmental action, no adverse entry in the ACR be made. But if they failed to do so then departmental/criminal action coupled with recovery be taken against them. Progress be reported to PAC.

D.P. 847 Un-justified expenditure of Rs.7.864 million.

11. The Audit objected that in PC-I the amount was meant for the construction of the building and contrary to PC-I, they hired the building and paid the amount meant for construction for rent. The Department version was that they had to do it under the orders of the Finance Department. The Additional Secretary Finance Department supported the contention of the Department, therefore, the para was recommended to be dropped, but for future guidance, the Department was directed to strictly follow the PC-I in accordance with the established Rules.

D.P. 901 Excess expenditure of Rs.4.982 million due to execution of excess quantities of work than provided in BOQ.

12. The contention of the Department was that the para was dropped at the DAC level. In support of their contention they submitted the minutes of the DAC which was perused by the Audit Department which confirmed the fact that the para was dropped, hence the para is decided accordingly.

D.P. 397 Doubtful payment of Rs.0.075 million.

13. The contention of the Audit was that double payment was made for one and the same item i.e. pump. The Department has produced a certificate to the effect that they had purchased two pumps and not one and therefore payment has been made for two.

14. The para was recommended to be dropped subject to verification by the Audit.

D.P. 852 Un-necessary blockage of money Rs. 3.060 million. Non-imposition of penalty for the abnormal delay.

15. The Department contended that because of the dispute with PMA, the case was delayed for sufficient long period and by now they have consumed about 22,700 out of 83,000 pipes and the rest was available on the stock. The Department was directed to avoid such an inordinate delay in future. With the above observation the para is recommended to be dropped.

D.P. 577 Over payment of Rs.0.132 million due to non utilization of available stores.

16. The Department contended that the recovery was made at the DAC level. The Department has shown the agreement deed as per terms of the agreement recovery has been made. The para is , therefore, recommended to be dropped.

D.P. 838 Non recovery of mobilization advance Rs.9.012 million and interest of Rs.0.567 million.

17. The Department contended that full amount alongwith interest had been recovered which could be verified by the Audit. Subject to verification by the Audit, the para was recommended to be dropped.

D.P. 702 Excess of Rs.624.997 million over the approved PC-I.

D.P. 762 Extra expenditure of Rs.142.786 million due to delay in the acquisition of land.

D.P. 760 Unauthorized deposit of funds Rs.277.328 million in the Private Banks and un-necessary drawl of Rs.19.000 million through self cheques.

D.P. 828 Loss of Rs.16.671 million to Government.

D.P. 761 Huge loss to the Government due to acquiring land costing Rs.353.189 million at higher rates.

D.P. 849 Non preferring of an appraisal against the enhancement of Rs.78.858 million to the upper courts.

18. After lengthy discussion and detail briefing the PAC decided to physically inspect the site and to defer all the identical paras regarding Ring Road. The Committee further directed the Department to produce all original relevant record in this behalf particularly the revenue record regarding mutation in respect of the land in question acquired by the Government for construction of Ring Road.

19. The meeting was adjourned till 21-08-1997 at 09:30 A.M.

CHAMKANI)

Committee.

Sd/-
(Hidayatullah Khan
Chairman,
Public Accounts

PROVINCIAL ASSEMBLY OF N.W.F.P.**Tuesday, the 21th August, 1997.****21th Sitting of PAC.****PHYSICAL PLANNING AND HOUSING DEPARTMENT.**

The public accounts Committee assembled at 09:40 A.M. in the Conference Room of the Frontier House Abbottabad to examine the Audit Report on the Accounts of Government of NWFP for the year 1994-95 pertaining to Local Government and Rural Development Department. The following were present:-

PUBLIC ACCOUNTS COMMITTEE:

1.	Mr. Hidayatullah Khan Chamkani, Speaker.	Chairman
2.	Syed Muhammad Sabir Shah, MPA	Member
3.	Mian Iftikhar Hussain, MPA	Member
4.	Mian Gul Asfandyar Amir Zeb, MPA	Member
5.	Mr. Ali Afzal Khan Jadoon, MPA	Member
6.	Mr. Pir Muhammad Khan, MPA	Member.

AUDIT DEPARTMENT:

1. Mr. Shafiullah Khan,
Director General.
2. Mr. Sikandar Khan,
Director.
3. Mr. Muahmmad Ayaz,
Deputy Director.
4. Mr. Murtaza Khan,
Deputy Director.

LOCAL GOVERNMENT & RURAL DEVELOPMENT DEPARTMENT.

Mr. Fareed Khan,
Secretary to Government of NWFP
Local Government & Rural Development Department.
Mr. Attaullah Khan,

Director General.
Mr. Iqbal Awan,
Sr. Budget & Accounts Officer (WAPDA)

FINANCE DEPARTMENT:

Mr. Ziaur Rehman,
Additional Secretary.

LAW DEPARTMENT:

Mr. Muhammad Shaukat,
Deputy Secretary.

PROVINCIAL ASSEMBLY:

1. Mr. Nazir Ahmed,
Additional Secretary-I
2. Mr. Muhammad Mushtaq,
Additional Secretary-II
3. Mr. Amanullah,
Deputy Secretary-I.

2. The meeting commenced with recitation from the Holy Quran followed by translation.

D.P. 338 Mis-appropriation worth Rs.20.428 Million.

3. The Audit reported that in Divisional Director LG & RDD office Peshawar a sum of Rs.18.335/- (M) were drawn from PLA and deposited in Askari Commercial Bank in 6/92 under current Account. The amount was partially deposited in PLA in next financial year i.e. 1992-93. It was a temporary mis-appropriation and irregularity in terms of Government of NWFP. Finance Department No. 2/2 NFC(FD) dated 26-08-1993 and para 7 of GFR. It was apprehended that interest must have been accrued and mis-appropriated by the concerned officer.

4. The Finance Department also supported the contention of the Audit that depositing Government money in Askari Bank was the violation of Finance Department circular and the provision of para 7 of GFR.

5. The Department admitted the irregularity but the certificate of the Bank authority revealed that the amount was dept in current account and no interest was accrued thereon.

6. The Committee was of the view that this time they did not want to panelize the officials but warned the Department that in future such type of method should not be repeated. The Department was also directed that when such irregularities were pointed out at the DAC level then the Administrative

Secretary should proceed against the person at that very movement to avoid such type of lapses in future.

7. With the above observation the para was recommended to be dropped.

D.P. 700 Mis-appropriation worth Rs.1.672 million.

8. The Audit pointed out that in the office of Assistant Director, Local Government and Rural Development Department, Kohat Rs.1.672 million were paid in advance to various Project Leaders for execution of developmental schemes in 1991-92 and 1992-93. Neither the work was started/completed nor the amount recovered from them.

9. The Department contended that the main portion of the amount in question had been recovered and Rs. 4,90,000/- were in arrears. The Project Leaders had been declared defaulters and the Department had already approached the Deputy Commissioner concerned for recovery in question. For the recovery of the remaining amount, the Department requested for three months time. Their request was granted by the PAC with the direction that in case the recovery was not made from the Project Leaders within the stipulated period then arrears would be recovered from the Assistant Director concerned. Taking into consideration the efforts done by the Department for recovery, although on the original side, the Assistant Director did a wrong thing by disbursing the amount in such manner, the para is recommended to be dropped.

D.P. 698 Suspected mis-appropriation of Rs.0.105 million.

10. The audit reported that in the office of Assistant Director Local Government, Mansehra a sum of Rs. 104,785/- paid in advance during 1991-92 was recoverable from the contractor/Project Leaders as they could not complete the works and the amount was not recovered within three years.

11. The Department explained that enquiry was conducted and total amount duly verified had been adjusted, the para was recommended to be dropped subject to verification by the Audit.

D.P. 339 Fictitious adjustment of funds amounting to Rs.49.511 Million.

12. The Secretary of the Department admitted that irregularity was committed, but there was no misappropriation at all. This was just to avoid lapse of the fund and to avoid further complications. On the other hand the Audit Department tabled a suggestion that Local Government Department should also follow the provision of rule 192 of GFR by holding their own accounting system. The suggestion was agreed to by the Department, the Committee also directed the Department that they should strictly follow the relevant Rules as was being done in C& W Department.

13. With the above observation the para is recommended to be dropped.

D.P. 553 Irregular expenditure of Rs.96,048/- and over payment of Rs.3,952/-.

14. It was contended by the Department that the over payment had already been recovered. About the irregularity, the Secretary stated that the competent authority i.e. Minister had relaxed the Rules. In view of the plausible explanation of the Department, the para is recommended to be dropped.

D.P. 349 Over payment worth Rs.0.251 million.

15. It was contended by the Department that recovery had been made and deposited in the Government Treasury. Subject to verification by the Audit, the para is recommended to be dropped.

D.P. 769 Over payment of Rs.210,245/-.

16. The Department contended that enquiry was conducted and from the same it was clear that the Director was competent to make changes in the schemes and as such no loss accrued to the Government, the para is accordingly recommended to be dropped with the observation that in future they should try to avoid the irregularity in the first instance instead of going for subsequent coverage.

D.P. 701 Losses to Government worth Rs.0.363 million.

17. It was contended by the Department that Road roller was used only for two Roads and the total period was 51 days and the amount had already been deposited. The Department agreed to the fact that they would produce the documents to Audit.

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

D.P. 550 Loss of Rs.110,960 million.

19. It was contended by the Department that the first tender was rejected and the scheme was retendered, 2% call deposit and 8% security was also obtained from the Contractor because there was apprehension that the contractor would leave the work incomplete due to such lowest rate. As the second tender was with conditionalities so in the interest of Government and to save the Government money the same was accepted.

20. The para is recommended to be dropped with the observation that in future it should be responsibility of the Department to secure the Government interest with due conditionalities at the very out set.

D.P. 622 Loss of Rs.91.984 million.

21. From the perusal of the record, it revealed that an enquiry was conducted wherein the Director Technical was held responsible and charge sheeted. In pursuance of that order some recovery of overpayment was also made. Some how or the other the recommendations/findings of the Enquiry Officers was discarded by the Secretary of the department without assigning any cogent reason or rules, exonerating the officer from the charges and declared him to be the competent authority. The PAC after the perusal of the enquiry report, was of the view that sound reason was given by the Enquiry Officer, and the Secretary should not have discarded the recommendations/findings of the Enquiry Officer without assigning any cogent reasons.

22. Under the circumstances, the Committee directed that a sum of Rs.91,984/- may be recovered from the concerned officer within a period of three months, failing which criminal and departmental action, coupled with recovery, to be initiated against him. Progress be reported to PAC. Para stands.

D.P. 732 Non recovery of Rs.0.314 million on account of non-execution of work/dropped schemes.

23. The same decision as against D.P. 700 and with the direction that the Deputy Commissioner concerned is directed to assist the department to make the recoveries within the stipulated period.

D.P. 346 Non-production of auditable record for expenditure amounting to Rs.8.170 million.

24. After detail discussion it was noticed with grave concern and surprise that neither local Government nor WAPDA, was shouldering their responsibilities. The representative of WAPDA, present in the meeting could not explain their position as to how much amount was given to them and for what type of work. At the same time, the concerned Department (LG& RDD) was also unaware about the factum of expenditure so much so that they did not know about the allocated amount. The Department contended that although the money belonged to Provincial Government but Federal Government Departments avoid furnishing the auditable record to them and to the Audit.

25. The Audit supported the contention of the Local Government Department and added that similarly due to non availability of record in respect of the funds provided to the Municipal Corporation and District Councils by the Provincial Government they are unable to carry out the Audit of the said fund.

26. The Committee directed that the auditable accounts of the funds provided by the Provincial Government to the Federal Government Departments or the Local Bodies, should invariably be submitted to the concerned Departments and to be Audited by the Director General Audit, NWFP.

27. The Committee also directed the Chief Engineer WAPDA, to submit all the documents pertaining to the present para to the concerned Department for onward transmission to the Director General Audit for scrutiny. He was also directed that in future when a directive is issued by the PAC he must himself or an officer on his behalf should come prepared with full document to avoid delay in the decision of the para.

D.P. 350 Irregular deposit of Government receipt amounting to Rs.97,400/- in Commercial Bank.

28. The Audit pointed out that in the office of Assistant Director, Local Government, Nowshera an amount of Rs.97400/- was received from various contractors as cost of tender form in 1990-91, which should have been credited to Government revenue, but it was deposited in Commercial Bank in a private account in violation of para 4 of CTR Vol-I and para 7 of GFR. Moreover the expenditure was frequently incurred against this amount.

29. The Department explained that an amount of Rs.765869/76 was received on account of sale proceed of tender forms against which Rs.6,78,821/- was deposited into Government Treasury. Only Rs.87048/76 was spent on pay of work munshies, electricity charges and purchase of cycle etc as no fund under the heads were available in the budget. The expenditure was made in the best interest of Government.

30. The Committee after detail discussion held that although the Assistant Director concerned has committed a gross irregularity, which was not warranted under the law, but he submitted that as new office was established, therefore, he did it under the circumstantial compulsion. The Committee put question to the Secretary on his honesty, who confirmed the version of Assistant Director. Under the circumstances and taking into consideration the statement of such a responsible officer, the Committee recommended that the para be dropped with the direction that in future no such factual or circumstantial compulsion should prevail in the way of law and Rules therein.

D.P. 695 Irregular drawl of Rs.0.160 million on account of pay and allowances out of departmental receipts and over payment of Rs.0.067 million.

31. The Committee noted with concern that inspite of the direction of DAC in 1995, no enquiry was conducted by the Department which was really deplorable. During the course of discussion it revealed that the Road Rollers were not generating any income. If the situation was such then the Committee felt that it is burden on the Provincial Exchequer. The Committee

directed the Department that they should find out some solution of the problem and submit a summary to that effect to the Chief Minister for the appropriate action in the interest of public as well as to save Government treasury from unnecessary burden.

32. With the above observation , the para is recommended to be dropped.

D.P. 699 **i. Fictitious payment of Rs.0.313 million.**
ii. Irregular and unjustified payment of Rs.0.088 million.

33. The Audit pointed out that in the office of Assistant Director, Local Government a work “Black Topping of Khalabat Kaligar Road” was awarded to a contractor with estimated cost of Rs.450,000/- required to be completed within six months. Work order was issued on 26-06-1992 and payment of Rs.32,000/- was made just after two days on 28-06-1992, which showed that the payment was fictitious.

34. The Department read out explanation given in column No.3 of the working paper and contended that enquiry in this case had already conducted which showed that total amount had already been adjusted and the work had been completed. The Committee observed that although the circumstances were such that the work order was issued on 26-06-92 and a huge amount was paid within two days, revealed nothing but a malpractice. The Department submitted that some time under certain circumstances the contractors had to start the work before the work order.

35. In view of the plausible explanation of the Department the para was recommended to be dropped. However, the Committee directed the Department that in future such type of irregularity would never be acceptable to the PAC and they were further directed to issue a circular to all subordinate offices to avoid such doubtful practice in future.

D.P. 697 **Non surrender of savings Rs.42.694 million and irregular transfer of Rs.8.417 million.**

36. The Department contended that the amount in question was transferred on the orders of the Chief Minister being competent authority and the pressing demand of the local. There was no alternative for the department but to transfer the amount to the railway. With regard to non production of record, the Secretary told that it was lying with M.C. Takhtbai and District council, Peshawar and could not be produced due to mis-understanding that Director Local Fund Audit was regularly carrying out their Audit. However, he added that the concerned local councils officers had been directed to produce the accounts to the next Audit. Under the circumstances the para is recommended to be dropped.

D.P. 770 **Non accountal/non deposit of enlistment fee amounting to Rs.0.251 million.**

37. The Audit pointed out that in the office of Assistant Director, LG&RDD, Mansehra a sum of Rs. 0.251 million received from the contractors as enlistment fee in 09/91 was required to be taken on Cash Book, but neither cash book nor PIT register was maintained and produced.

38. The Department contended that in compliance with the decision of DAC, the amount in question had already been deposited into Government Treasury vide challan No. 33 dated 19-11-1995.

39. In view of the explanation of the Department the para is recommended to be dropped.

D.P. 766 Recovery of Rs.0.066 million on account of non-execution of works.

40. The Audit reported that in the office of Assistant Director, LG&RDD, Kohat a sum of Rs.66,000/- was paid to Project leaders for execution of works in advance, but neither the work was completed nor the amount refunded after the lapse of two years.

41. The Department contended that out of the total overpayment an amount of Rs.53081/- had been recovered and deposited in the Government Treasury, whereas the rest of the amount of Rs. 12919/- had been adjusted to the work done basis vide MB No.6-C.

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

D.P. 773 Irregular Expenditure of Rs.0.181 million.

43. The Audit pointed out that in the office of Assistant Director, LG&RDD, Swabi a work "pavement of street" was carried out without technical sanction and hence the expenditure was irregular.

44. The Department explained that the technical sanction had now been obtained, the para was recommended to be dropped with the observation that in future no work should be started without technical sanction.

D.P. 774 Unauthorized payment of Rs.0.198 million to Project Leaders.

45. The Audit pointed out that in the office of Assistant Director, LG&RDD, Swabi, the work costing Rs.0.198 million was executed without technical sanction and work not recorded in the M.B., hence it was doubtful and irregular.

46. The Department explained that codal formalities regarding technical sanction had now been obtained and M.B. prepared. Moreover, as per decision of DAC, disciplinary action was initiated against the concerned

staff, but Enquiry Officer exonerated them. The Department contended that no loss was accrued to the Government.

47. The Committee after detail discussion observed that the objection of the Audit that the payment was made without MB/T.S. was valid, therefore, the Department was directed that in future such excuse would not be acceptable to the Committee.

48. Under the Circumstances the para is recommended to be dropped with the above observation.

49. The meeting was adjourned till 22-08-1997 at 09:30 A.M.

CHAMKANI)

Committee.

Sd/-
(Hidayatullah Khan

Chairman,
Public Accounts

PROVINCIAL ASSEMBLY OF N.W.F.P.

Friday, the 22nd August, 1997.

22th Sitting of PAC.

HEALTH DEPARTMENT.

The public accounts Committee assembled at 09:30 A.M. in the Conference Room of the Frontier House Abbottabad to continue examination of the Audit Report on the Accounts of Government of NWFP for the year 1994-95 pertaining to Health Department. The following were present:-

PUBLIC ACCOUNTS COMMITTEE:

- | | | |
|----|---|----------|
| 1. | Mr. Hidayatullah Khan Chamkani,
Speaker. | Chairman |
| 2. | Mian Iftikhar Hussain, MPA | Member |
| 3. | Mian Gul Asfandyar Amir Zeb, MPA | Member |
| 4. | Nawabzada Mohsin Ali Khan, MPA | Member |
| 5. | Mr. Pir Muhammad Khan, MPA | Member |
| 6. | Mr. Ali Afzal Khan Jadoon, MPA | Member |

AUDIT DEPARTMENT:

1. Mr. Shafiullah Khan,
Director-General.
2. Mr. Sikandar Khan,
Director.
3. Mr. Muhammad Ayaz,
Deputy Director.
4. Syed Mutahir Shah,
Deputy Director.

HEALTH DEPARTMENT.

Mr. Zahoor Ahmed Khan Khalil,
Additional Secretary.
Mr. Jalal Khan,
Director General Health Services.
Dr. Muhammad Ali Khan,
Administrator, LRH.
Mr. Sharif ahmad Khan,
Deputy Director.
Dr. Amir Ghawas,
M.S. DHQ Hospital,
Abbottabad.

FINANCE DEPARTMENT:

Mr. Abdus Samad,
Additional Secretary.
Syed Afzal Shah,
Budget Officer.

LAW DEPARTMENT:

Mr. Muhammad Shaukat,
Deputy Secretary.

PROVINCIAL ASSEMBLY:

4. Mr. Nazir Ahmed,
Additional Secretary-I
5. Mr. Muhammad Mushtaq,
Additional Secretary-II
6. Mr. Amanullah,
Deputy Secretary-I.

2. The meeting commenced with recitation from the Holy Quran followed by translation.

D.P. 41 Un-authorized drawal of Rs.1,422 million on account of non practicing allowance.

3. The Audit reported that 21 doctors under DHO Abbottabad had drawn Rs.174,073/- as non practicing allowance, though they were doing private practice which was against the Government instructions. Similarly 29 doctors in rural areas had drawn rural compensatory allowance amounting to Rs. 678,600/- despite running their private clinics. Rs.853,673/- was thus required to be recovered from them.

4. The Department admitted the version of the Audit and told that the case of recoveries was taken up with the said doctors and assured that recoveries would be made within six months. It was further added that the

doctors were DDOs, therefore, it was not the fault of any other officer of the Department in this respect. The Audit argued that the Department should have submitted a statement and a change proforma to the DAO concerned for effectuating recoveries.

5. The request of the Audit was agreed to by the PAC. The Department was directed to comply with their obligation and sent the change proforma to DAOs within 15 days and the DAOs, should arrange recovery within six months and the Department should inform the PAC accordingly. In case the recovery is not made within the stipulated period departmental as well as criminal action coupled with recovery may be taken against the culprits. With this observation the para was recommended to be dropped.

D.P. 48 Un-authorized drawl of non practicing allowance.

6. The Audit pointed out that in the office of M.S. DHQ Hospital, Abbottabad senior and junior Registrars working against non practicing posts had drawn a sum of Rs.2500/- as non practicing allowance in violation of Government orders as they were running private clinics.

7. The Department explained the reply given in the column No.3 of the working paper. After detail discussion the Committee observed that the Department had only extended correspondence in the matter. The Committee directed to forthwith submit the proforma of the defaulting doctors to the Accountant General for recovery. The Committee also noticed with concern that inspite of the fact that the Government money was mis-appropriated, the conduct of certain doctors were such that they were dictating terms to the Government and the Department had not taken any action in the matter. The Additional Secretary Health Department was of the view that the concerned doctors were DDOs therefore, the Department was not aware of the fact.

8. In view of the above, the Committee directed the Department that if such situation arises in future they must take departmental action against the culprits. The Accountant General was directed that after the receipt of the change proforma, he should make complete recoveries within six months and the Department should inform the Committee accordingly. In case the recovery is not made in time, departmental/criminal action coupled with recovery may be taken against the culprits.

9. With the above observation the para was recommended to be dropped.

D.P. 44 Un-authorized drawal of non practicing allowance.

10. The Audit pointed out that in the office of DHQ, Peshawar a sum of Rs.2,94,700/- was drawn on account of non practicing allowance by 28 doctors who were running private clinics. The Department explained its position given in the column No.3 of the working paper. The Department contended that the M.O.s mentioned in list No.2 attached with the working paper were not running their clinics. The Audit stated that the Department

should have submitted a certificate to that effect as decided in the DAC meeting.

11. After detail discussion the Committee directed that action may be taken as per decision against draft para 41.

D.P. 116 Un-authorized drawal of non practicing allowance.

12. The Audit pointed out that in the office of M.S. DHQ Hospital Bannu a sum of Rs. 1,90,000/- was drawn as non practicing allowance by 19 doctors in violation of Government orders.

13. The Department admitted the irregularity and explained that a sum of Rs.49,500/- had been recovered and assured that the remaining amount would be recovered within 3 months.

14. The Committee directed the Department that the balance amount may be recovered within 3 months positively. In case the defaulting doctors failed to deposit the amount outstanding against them within stipulated period, departmental as well as criminal action coupled with recovery may be initiated against them. The Department should sent a proforma to Accountant General forthwith for deduction of the arrears. With the above observation the para was recommended to be dropped.

D.P. 229 Fictitious drawl of Rs.0.282 million on account of hotel charges out of UNICEF Funds.

15. The Audit pointed out that in the office of D.G., Health Services a training under the “UNICEF funded Training Activities” was to be imparted to doctors and EPI technicians in 1992-93. Their TA bills were found dubious.

16. The Department contended that the DAC had decided that the intention of the individuals were not malafide. However if the UNISEF auditor still insisted on pursuing the case, necessary recovery would be made from the concerned officials. It was also contended by the Director General that change was made by the UNICEF in the policy and they would strictly abide by that policy.

17. The matter was discussed in detail and it transpired that the entitlement was very much there but most of staff being low paid, the Committee was of the view that they might have resorted to third degree tactics for receiving the benefit in toto.

18. Under the circumstances, simply considering their grades and the factum of participation in the workshop, the para was recommended to be dropped accordingly. However the PAC condemned the method which they adopted and directed the Department to issue a warning that in future they should avoid such type of tactics for personal interest/benefits.

D.P. 49 Un-authorized expenditure of Rs.16.159 million on the purchase of medicines.

19. The Audit pointed out that in the DHQ, Hospital Abbottabad against the budget provision of Rs.18.00 million, a sum of Rs.15.753 million was incurred on local purchase of medicines without obtaining NOC from MSD and approval of Government.

20. The Department contended that due to non availability of medicines in the MSD, Local purchase was made, but the Department failed to produced the required NOC.

21. After detail discussion the Committee observed that the relevant stock register of the MSD was not checked by the Audit as to whether, the medicines were available or not. According to the Audit, it was a long exercise and time may be given to them to inspect the stock register of MSD for finding out the availability/non availability of the said medicines.

22. The Department was directed to make available the relevant record to Audit Department and the Audit was directed to check the record within a period of one month. In case the medicines were found available in the MSD then in the case recovery should be made from the concerned officials within a period of three months positively, failing which departmental/criminal action, coupled with recovery, may be taken against them, but if the contention of the Department was found correct then the para may be considered as dropped. Progress may be reported to PAC.

**D.P. 69 Incurring of excess expenditure under “598 medicines”
Rs.0.406 million.**

23. The Audit reported that in the DHQ office Mardan an excess expenditure of Rs.406, 194/- was incurred under subject head “598 medicines” in 1993-94 in violation of para 106 of GFR. The Department contended that condonation sanction had been obtained from Finance Department in May, 1996.

24. The Committee after detail discussion observed that the Finance Department was not competent authority to have condoned the matter pertaining to the year 1993-94, whereas the condonation was issued on 07-05-1997 after the PAC meeting was fixed. It was also noticed that the previous PAC while discussing D.P. 32 pertaining to Health Department had directed the Finance Department not to exercise such illegal powers at such stages. The Committee directed that the Chief Secretary may constitute enquiry committee consisting of representative of Law and Audit Departments with terms of reference that why the Finance Department issued condonation in violation of the clear cut directive of the PAC and also as to why the AG had passed the bill without proper authorization. Any other connected matter which the Chief Secretary may consider appropriate be included in the terms of reference. The report of the enquiry should be furnished to the PAC within two months positively. Para stands.

D.P. 92 Non accountal of Two X-Ray plants and X-Ray view boxes.

25. The Audit reported that in the office of DHQ, Charsadda X-Ray Plant worth Rs.52,500/- were shown to have been issued to Sherpao Hospital, Tangi but the same was not taken on stock. Similarly another plant with X-Ray film were not taken on stock.

26. The Department contended that after the decision of DAC enquiry in this case had been conducted and it was found that items involved in the para were included in the stock register of the Hospital.

27. Although the enquiry report did not bear any date and there was no reference about the factum of physical verification by the enquiry officer in his report, yet, the Department just relied upon Photostat copy of the store register in question. The Committee put a question to the Additional Secretary Health Department on his honesty who confirmed that the enquiry officer was a very responsible person and he did not apprehend any such mistake. Under the circumstances the Committee directed that the Department should afford an opportunity to Audit to physically verify the items within a period of one month and in case it was found otherwise then departmental action against the enquiry officer be taken and recovery may also be made from the concerned officer. Progress be reported to PAC.

28. With the above observation the para is recommended to be dropped.

D.P. 59. Non accountal of Rs.0.110 million on account of admission fee.

29. The Audit pointed out that in the LRH fee amounting to Rs.139,020/- was realized during 1993-94 out of which Rs.1,16,903/- was deposited in Government account and the rest was misappropriated. The Department admitted the irregularity and contended that recovery had been effected from the person concerned who had since been retired.

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

D.P. 60 Shortage of items in LRH.

31. The Audit reported that in LRH certain articles worth Rs.103,792/- were found short during 1993-94, the amount of which was recoverable from the official concerned.

32. The Department explained that after through probe shortage worth Rs.68,988/- were found and the defaulting officials have since been discharged because of their long absence. The Committee observed that the Department should have registered cases as well against absconding persons over and above the efforts of recovery through the Deputy Commissioner. It was pointed out that one of the absconding person belongs to District Charsadda, so in the circumstances the Committee was of the view that the Department should initiate criminal proceedings over and above the recoveries

in the civil manner by approaching the Deputy Commissioner concerned without fail and the Committee may be apprised about the progress within a period of one month. Para stands.

D.P. 46 Un-authorized issue of medicines costing Rs.0.677 million.

33. The Audit reported that in the office of DHQ, Peshawar certain medicines worth Rs.677,331/- were issued to Dispenser/Medical Technician Incharge of BHU, Obviously the staff had been allowed to issue medicines to patients with no authority of the Government in this behalf and no chit fee was collected. The Department contended that it was an old practice where Medical Officers were not available. Medical Technician being Incharge of Dispensary/BHU was competent to issue medicines to the OPD patients and no such OPD chit system was available there. The members of the Committee were of the view that being representatives of the public, they have the experience that the Incharge of the BHU did charge people and they did not supply any type of medicine to the patients. The D.G. agreed with the Committee and assured that he himself would make surprise visits atleast once in a month. The Audit was also directed that they should also have visits of the BHUs to scrutinize their record. The Committee advised that MPAs should also exercise their privileges in accordance with the privilege Act on this score as well. The para was dropped accordingly.

D.P. 26 Defective repair and maintenance of hospital building costing Rs.0.413 million.

34. The Audit reported that in the office of M.S., DHQ Hospital Karak a sum of Rs. 41,300/- on account of maintenance and repair of building was utilized by the C&W Department but the work was not executed properly. The Department contended that the original sanction has already been sent to C&W Department. The PAC directed the Department to pursue the matter with the C&W Department and the C&W Department was directed to complete investigation in the matter within one month and progress be reported to PAC. Para stands.

D.P. 111 Purchase of medicines on quality basis/loss of Rs.2.750 million to Government.

35. The Audit pointed out that in MSD Peshawar certain medicines were purchased during 1993-94 on quality basis by ignoring lowest rates, as such the object of calling tender/quotation was defeated due to which the Government was put to a loss of Rs.27,50,214/-.

36. It was contended by the Department that the purchase of medicines were made on quality basis because most of the medicines were life saving drugs. The Committee pointed out that still the agencies/firms dealing with substandard drugs were on the approved list of the Department. The

Additional Secretary, Health Department admitted the fact and assured that they would take action and struck up their names from the approved supply list. With regard to their de-registration, he showed inability as it was not within the jurisdiction of the Provincial Government because the registration was being issued by the Federal Government.

37. Under the circumstances the para is recommended to be dropped.

D.P. 109 Un-economical purchase of equipments/loss of Rs. 1,999 million to Government.

38. Para stands. The Department is directed to conduct a fresh enquiry.

D.P. 105. Loss of Rs.80,575/- to Government.

39. The Audit pointed out that in the office of MS, Mental Hospital Peshawar certain articles were purchased during 1992-93 by accepting higher rate without recording any cogent reason which resulted a loss of Rs.80,575/-. The Department contended that enquiry was conducted at the DAC level and it was held that both the firms were not qualified.

40. The Committee after detail discussion observed that under the circumstances this was a clear cut case of violation of rules due to which loss was accrued to Government. Therefore, the Committee ordered the recovery of the said amount from M.S. within three months, failing which departmental/criminal action, coupled with recovery, be initiated against him. Progress be reported to PAC. Para stands.

D.P. 62 Theft of O.T. instruments worth Rs.0.108 million.

41. The Audit reported that in LRH certain instruments costing Rs.108,339/- were stolen during 3/94. The Loss was not reported to Audit as required under para 20 of GFR Vol-I.

42. It was contended by the Department that soon after occurrence of the incident. FIR was lodged in the Police Station and in pursuance of that FIR property approximately worth Rs.35 thousand was recovered by the Police and handed over to them. The case was still pending in the court.

43. The para is recommended to be dropped with the direction that the Department should pursue the case in the court vigorously.

D.P. 96 Un-authorized payment of Rs.1.996 million on account of Suigas and Electricity.

44. The Audit pointed out that in HST Hospital sui gas and electricity were consumed by the staff but utility charges of Rs.1.996 million were paid out of Government account in 1993-94, with no recovery on proportionate charges

from the concerned staff. The para was discussed in the DAC meeting and it was admitted that recovery should be made from the concerned doctors.

45. The Department explained the position as given in column No.3 of the working paper. The Committee after detail discussion agreed to the recovery as already decided by the DAC. The Department was directed to effect the recovery from the defaulting doctors within a period of three months, failing which departmental as well as criminal action coupled with recovery, be initiated against the defaulting officers. Progress to be reported to PAC. Para stands.

D.P. 45 Un-authorized payment of X-Ray and Laboratory Fees Rs.0.177 million.

46. The Audit reported that in the office of DHO Peshawar a sum of Rs. 37613/- was apportioned as X-Ray and laboratory fee to three Medical Officers during 1993-94, who were working against non practicing posts and drawing NPA during that period. The overpayment was recoverable.

47. It was contended by the Department that a sum of Rs.8.093/- had been recovered and the rest of the recovery was in arrears. The Committee directed that the recovery of the arrears should be made within a period of six months, failing which departmental/criminal action coupled with recovery, may be initiated against the concerned persons.

D.P. 113 Over payment of Rs.87,016/-.
D.P. 114 Less deposit of Rs.0.053 million on account of Laboratory Fees.

48. The Committee noted with great concern that an exparte judgment dated 20-11-1996 was passed by the Civil judge Peshawar. It was strange that inspite of the fact that the Department along with others were properly served and they also filed a written statement in the concerned court, but they absented themselves, therefore, without putting forth any evidence, the case was proceeded and exparte judgment was announced. In such a situation the Committee directed that inter departmental Committee consisting of representative Law, Health, and Audit may be constituted by the Chief Secretary to carry out enquiry as to why the case was not pursued by the Government Departments and submit a report within 3 months.

49. In order to bring the former employees of the University and other employees at par, the law Department was advised to propose amendment for the deletion of the Ist proviso of section 5 of the NWFP Hayat Shaheed Hospital and Khyber Medical College (taking over) Act,1975. Para stands.

D.P. 58 Non lapsing of un-utilized balances.

50. The Department contended that the Finance Department and the Accountant General both had enabled them to spent the amount being non

lapseable, accordingly the amount involved in the para was spent on the project and no loss accrued to the Government. The Finance Department was questioned by the Committee about the authenticity of the arguments of the Department who also confirmed the same and relied upon government of Pakistan Finance Division circular dated 03-07-1985. Taking into consideration this fact only for the purpose of the present para, the Committee recommended that the para may be dropped, but for future guidance, the PAC directed that whenever there was involvement of the Provincial Government in receipt or repaying of any debt or loan, the explicit provision of GFR should strictly be followed unless amended or relaxed by the competent authority/forum.

D.P. 100 Non production of auditable record of medicines Rs.1.786 million.

51. The Audit reported that in office of M.S. DHQ, Hospital D.I. Khan certain medicines worth Rs.17,85,817/- were purchased during 1993-94. The relevant stock register were not produced on the plea that it was in the custody of the Anti-Corruption Department.

52. The Departmental contended that the matter was taken up by the Anti-Corruption Committee No.2 wherein they found the loss of Rs.224,443/80 which were recovered and deposited in the Government Treasury. At the same time strict departmental action was recommended against the defaulters and by now the record was very much available for scrutinizing by the Audit. The Audit was directed to examine the record within a period of three months and report submitted to PAC about the factual position. Para stands.

D.P. 121 Non production of auditable record for Rs.5.881 million.

53. The contention of the Department was that the record was available for the examination of the Audit, but when the Committee perused the observation in the para, it took a very serious view of the affairs which were going on in the Department, because the matter was pending for this very factum for a long time and inspite of repeated request by Audit, the record was not produced to Audit. The Committee observed that in future such type of tactics should not be adopted by the Department. The Audit was directed to inspect the record and inform the PAC about the factual position within three months. Para stands.

D.P. 120 Non utilization of developmental funds of Rs. 1.720 million.

54. The Audit pointed out that in the office of M.S. DHQ, Hospital, Bannu a sum of Rs.1.72 million was released during 1993-94. The amount could not be utilized/surrendered as required under the Rules and as such it lapsed.

55. It was contended by the Department that the amount in question was surrendered to Government in time and no loss accrued to the

Government. In view of the explanation of the Department, the para is recommended to be dropped.

D.P. 123 Un-economical expenditure of Rs. 1.729 million due to defective agreement for the service and maintenance of C.T. Scanner Machine.

56. The Audit pointed out that in LRH a sum of Rs.17,28,600/- was paid to a contractor for services and maintenance of C.T. scanner machine by executing an agreement of 23 months from August 1992 to June 1994. The agreement contained certain loop holes i.e. there were three qualified Engineers on the strength of the local office and they were capable for the maintenance of the machine. Despite the services of the contractor and employment of Government Engineers, the C.T. scanner machine was not working. It was observed that the contractor was given 10% exemption as down period, whereas the machine actually went down 40% of the working hours.

57. The Department explained its position as given in column No.3 of the working paper. From the detail discussion it came to the notice of the PAC that huge amount of the Government had been drowned into pitch, although initially it was decided by the PAC not to appoint sub-committees, but when the contents of the contract agreement were read out before the Committee. It was found that no efforts whatsoever were made for the specific performance of the contract agreement in its letter and spirit. So under the peculiar circumstances, the Committee felt that it would be in the best interest of the Government and public to decide this hanging issue of C.T. scanner once for all as to for whose fault this machine went out of order and why the contractual clauses were not enforced at the appropriate moment. So a sub-committee consisting of the following was appointed to probe into the matter and submit its report within six weeks.

1.	Syed Muhammad Sabir Shah, MPA	Chairman
2.	Mr. Pir Muhammad Khan, MPA	Member
3.	Mr. Mohsin Ali Khan, MPA	Member
4.	Mian Iftikhar Hussain, MPA	Member
5.	Mian Gul Asfandyar Amir Zeb, MPA	Member

Para 7.26

Page 169 of the Audit Report.

58. The committee after detail deliberation, recommended that recovery should be effected according to the formula laid down by the Government and report submitted to the PAC. Changed proforma may be sent to the A.G. who was asked to start recoveries from the concerned officials @ 1/3rd of their pay and inform the PAC when the recoveries are started. Para stands.

59. The meeting was adjourned till 23-08-1997 at 09:30 A.M.

Sd/-
(HIDAYATULLAH KHAN CHAMKANI)
Chairman,
Public Accounts Committee.

PROVINCIAL ASSEMBLY OF N.W.F.P.

Saturday, the 23rd August, 1997.

23rd Sitting of PAC.

IRREGATION DEPARTMENT.

The public accounts Committee assembled at 09:30 A.M. in the Conference Room of the Frontier House Abbottabad to continue examination of the Audit Report on the Accounts of Government of NWFP for the year 1994-95 pertaining to Irrigation Department. The following were present:-

PUBLIC ACCOUNTS COMMITTEE:

- | | | |
|----|---|----------|
| 1. | Mr. Hidayatullah Khan Chamkani,
Speaker. | Chairman |
| 2. | Mian Iftikhar Hussain, MPA | Member |
| 3. | Mr. Pir Muhammad Khan, MPA | Member |
| 4. | Mr. Ali Afzal Khan Jadoon, MPA | Member |

AUDIT DEPARTMENT:

1. Mr. Shafiullah Khan,
Director-General.
2. Mr. Sikandar Khan,
Director.
3. Mr. Muhammad Ayaz,
Deputy Director.
4. Mr. Murtaza Khan,
Deputy Director.

IRRIGATION DEPARTMENT.

1. Mr. Masood-ur-Rehman Masood,
Secretary to Government of NWFP,
Irrigation Department.
2. Mr. Iqbal Ahmad.
Chief Engineer.
3. Mr. Zafrullah Khan,
S.E. Central Irrigation.
4. Mr. Abdul Hamid Khan,
S.E. Flood and Drainage Circle, Peshawar.
5. Mr. Akhtar Pervez
S.E. Bannu.
6. Mr. Noor Rehman,

Accounts Officer.

FINANCE DEPARTMENT:

1. Mr. Abdus Samad,
Additional Secretary.
2. Syed Afzal Shah,
Budget Officer.

LAW DEPARTMENT:

Mr. Muhammad Shaukat,
Deputy Secretary.

PROVINCIAL ASSEMBLY:

1. Mr. Nazir Ahmed,
Additional Secretary-I
2. Mr. Muhammad Mushtaq,
Additional Secretary-II
3. Mr. Amanullah,
Deputy Secretary-I.

2. The meeting commenced with recitation from the Holy Quran followed by translation.

D.P. 627 Non reflection of loans worth Rs. 91.015 million in the Provincial Budget.

3. The Audit reported that according to Article 118 and 123 of the Constitution of Pakistan, all revenues and loans received by the Provincial Government shall from part of Provincial consolidated Fund. It was noticed that loan of Rs.73,95 million and Rs. 17.065 million was received in 1991-92 and 1992-93 respectively, but the same was not reflected in the schedule of authorized expenditure. Both the receipt and expenditure were kept out side the provincial account.

4. The Department based its arguments on the reply given in column No.3 of the working paper and added that this issue needed to be resolved at the level of the Provincial Government and the Accountant General. In the DAC it was also decided to hold a meeting with Accountant General, Finance and Administrative Department to resolve the matter.

5. The Committee decided the para as per decision against D.P. No.908 pertaining to PE&D Department reflected in the minutes of the PAC dated 18-08-1997. Further more the Committee directed that the Accountant General, Finance and Irrigation Departments to resolve the issue as it was a burden on the Provincial Government. The Committee desired that the Chief Minister may also be informed of the situation that this issue was pending with the Department for such a long time but with no appropriate action.

D.P. 633 Un-justified excess of Rs. 1.266 million over agreement cost of Rs.2.874 million and non production of auditable record in support of Rs.1.900 million.

6. The Audit reported that in the small Dams Construction Division Kohat the NESPAK Consultants was paid Rs.4140000/- against the estimated cost of Rs. 28,74,000/- resulting an excess payment of Rs. 12,66,000/- over the agreement cost. In addition a sum of Rs. 1900000/- was also stated to have been paid to the Consultants but relevant record in support thereof could not be produced.

7. It was contended by the Department that the para was exactly like para 673 already decided by the Committee. In fact the Department did proceed against the contractor. The contractor approached the court and arbitration was ordered and they had to follow the arbitration.

8. The Committee gave the same observation as against D.P No.673. Moreover, the Committee directed that specially whenever the Department appoint a consultant, every clause of the agreement should be self explanatory and it should contain a penal clause for slackness on the part of consultant. With the above observation, the para was recommended to be dropped.

D.P.634 Irregular release of funds amounting to Rs.235.005 million.

9. The Audit reported that in the office of Deputy Director Small Dams. Irrigation Department, funds amounting to Rs.235.005 million were released to WAPDA during 1991-92 and 1992-93 but no detailed accounts/expenditure statement in support thereof was rendered by WAPDA. Moreover, administrative approval and technical sanction were not available on record.

10. The Department contended that the amount in question was placed at the disposal of Chief Engineer (Development) for making payment to WAPDA being the executing agency for Swabi SCARP and P.H.L.C. Project. The amount was paid to WAPDA on the express directive of the Government i.e. Additional Chief Secretary, Secretary PE&D and Secretary Irrigation being competent authorities.

11. After detail discussion, the Committee observed that the cry of the Department was that inspite of repeated request, the WAPDA was not furnishing the detailed accounts/expenditure statement, although sufficient amount of the Province was always involved but they were not entertaining the request of the Department.

12. While discussion D.P. 346 of the Local Government and Rural Development Department, the PAC has already directed the WAPDA authorities to submit detail of expenditure of the funds to the respective Departments provided by the Provincial Government.

13. The Committee further directed Department that the Chief Minister may be apprised of the situation and tussle between Finance and PE&D Departments in releases funds of foreign loans/donations be resolved once for all in order to save the interest of the province, because ultimately whatever may be the amount, its repercussions are on the province.

14. With the above observation the para was recommended to be dropped.

D.P. 636 Abnormal variation between the quantity and cost of BOQ and revised detailed sanctioned estimates.

15. After detail discussion the committee observed that according to the original BOQ, they would excavate the road and from the excavated materials, road would be properly filled and leveled. In order to benefit the contractor, later on, the BOQ was changed drastically and the major portion of the funds were allowed obviously towards mis-appropriation in collusion with one another. The Committee further observed that the best course for the Department would have been that either they should have planned the BOQ properly before hand or it should have been re-tendered. The calculation revealed that quantity of work was increased by 50000 percent. If the tender of the second lowest would have been accepted, then, in that case, the Government would have been saved from the loss of Rs.57 lacs.

16. The Committee after through consideration recommended and directed the Department that a sum of Rs.50 lac may be recovered from the contractor as well as the officials. Who prepared the original BOQ and accepted the tender, on equal share. The recovery may be made within three months, failing which departmental/criminal action, coupled with recover, may be initiated against the defaulters. Progress may be reported to PAC. Para stands.

D.P 649 Incurrence of abnormal expenditure of Rs.0.751 million on renovation of Klam Rest House.

17. The contention of the Department was that the amount mentioned in the para is ranging for the repairs of almost five years and at the DAC level it was decided that the para should be dropped with the following to PAC. Para stands.

- i. the rent rate should be enhanced.
- ii. the allocation of funds from the work was not in accordance with the norms of the Rules.

18. The Department replied that they had already enhanced the rent rate from Rs.40 to 750 per suit and for the single room from Rs.25 to 350. As for as the factum of allocation of Funds was concerned, the Department

contended that they initiated a case with the Finance Department. The Additional Secretary Finance Department agreed with the problems of the Irrigation Department. The Committee observed that there should be separate funds for Annual Maintenance and Repair (AM&R) of the buildings because it is definitely the policy of the work done in the limits of the original allocated amount as all such repairs are charged to each work. The para is dropped.

D.P 657 Wasteful and infructuous expenditure of Rs.3.160 million on the Dug Wells.

19. The same decision as recorded against D.P. 671.

D.P 660 Unjustified drawal of pay and allowances of Rs.0.064 million.

20. The Department explained that 12 posts of drivers were created in 1993 and the posts remained till the closing of project i.e. 12/95.5 posts of XEN and 8 posts of SDO were also created in the same year for I.S.R.P. The Project was financed by the World Bank and they were supposed to provided 13 vehicle but against that only 9 vehicles were provided and it was hoped that the remaining 4 vehicles would be obtained 2 vehicles were provided to Bannu Division under the Project. Later on 2 new circles were created in 1994 and the Finance Department had agreed to pay their salaries from the project. After the close the Project in 1/1996, all the posts had been abolished.

21. Taking into consideration the factual position, the para was recommended to be dropped with the observation that the Department should be careful in future and they should always act under the provisions of the established rules/regulation.

D.P 661 Non depositing of Rs.62,800/- into Government Treasury on account of cost tender forms.

It was contended by the Administrative Secretary of the Department than an enquiry was held and the Head Clerk concerned was made responsible. It was also stated that he had since been retired from service. The Committee, therefore, directed that the recovery should be affected from him within three months failing which criminal proceedings may be initiated against him. Moreover, in case recovery was not made from him then the officer concerned who acted upon his undertaking which was available with the Department and gave him NOC may be held responsible and recover may be effected from him. The Department was directed to approach the DAO Karak to make recovery form the pension of the officer. Progress may be reported to PAC. Para stands.

D.P 681 Non production of Auditable record in support of expenditure of Rs.1.969 million.

23. Subject to verification of the record by Audit, which was brought by the Department to PAC, the para was recommended to be dropped

Public Accounts Committee.

PROVINCIAL ASSEMBLY OF N.W.F.P.

Monday, the 06th October, 1997.

24th Sitting of PAC.

PHYSICAL PLANNING AND HOUSING DEPARTMTN.

The public accounts Committee assembled at 10:00 A.M. in the Conference Room of the Provincial Assembly of NWFP to continue examination of the Audit Report on the Accounts of Government of NWFP for the year 1994-95 pertaining to Physical Planning and Housing Department. The following were present:-

PUBLIC ACCOUNTS COMMITTEE:

- | | | |
|----|---|----------|
| 1. | Mr. Hidayatullah Khan Chamkani,
Speaker. | Chairman |
| 2. | Haji Muhammad Adeel,
Deputy Speaker | Member |
| 3. | Mian Iftikhar Hussain, MPA | Member |
| 4. | Mian Gul Asfandyar Amir Zeb, MPA | Member |
| 5. | Nawbzada Mohsin Ali Khan, MPA | Member |
| 6. | Mr. Pir Muhammad Khan, MPA | Member |
| 7. | Mr. Muhammad Bashir Khan Umerzai,
MPA. | Member |
| 8. | Mr. Najmuddin, MPA | Member |
| 9. | Mr. Ali Afzal Khan Jadoon, MPA | Member. |

BY SPECIAL INVITATION:

Mr. Muhammad Hashim Khan,
Minister for Education/P.P.H.

AUDIT DEPARTMENT:

1. Mr. Shafiullah Khan,
Director-General.
2. Mr. Sikandar Khan,
Director.
3. Mr. Muhammad Ayaz,
Deputy Director.
4. Mr. Murtaza Khan,
Deputy Director.

PHYSICAL PLANNING AND HOUSING DEPARTMENT.

1. Mr. Akhtar Munir Marwat.
Secretary.
2. Mr. Muhammad Akbar Khan Marwat,
Additional Secretary.
3. Mr. Farooq Azam Khan,
Director General, PDA.
4. Mr. Jamshed Hasan,
Director General, PMU/PUDB.
5. Mr. Dilawar Shah Roghani,
Director Legal.
6. Mr. Fakhar-uz-Zaman,
Director Finance.

FINANCE DEPARTMENT:

1. Mr. Ziaur Rehman,
Additional Secretary.

2. Mr. Abdus Samad Khan,
Deputy Secretary.

LAW DEPARTMENT:

Mr. Muhammad Shaukat,
Deputy Secretary.

PROVINCIAL ASSEMBLY:

4. Mr. Nazir Ahmed,
Additional Secretary-I
5. Mr. Muhammad Mushtaq,
Additional Secretary-II
6. Mr. Amanullah,
Deputy Secretary-I.

2. The meeting commenced with recitation from the Holy Quran followed by translation

D.P. 702 Excess of Rs.624.997 million over the approved PC-I.

3. The Audit reported that a sum of Rs.427 million was provided in the PC-I for the purchase of land for Ring Road, but the total award announced was upto Rs.909.212 million over and above the approved PC-I.

4. The department explained that revised PC-I for Rs.1281.04 million for land component of Ring Road project was approved by the ECNEC on 17.12.1995, the highest forum/authority in the Country, and hence the excess stood covered with the approval by the said forum.

5. Nawabzada Mohsin Ali Khan, MPA inquired about the causes of excess expenditure from the Department. The Secretary stated that on one hand the cost of land was swelled by the Court, and on the other, it was enhanced owing to de/renotification of certain khasra numbers in Mahal Lal Ahmad and Mahal Salu. The Hon'ble Member pointed out that actually the land was not de-notified rather an impression of its denotification was given. He asked for the procedure of denotification and renotification of the land, and added that how the District Administration allowed transactions during the specific period. The Department did not give a satisfactory reply. However, the Deputy Secretary Law Department referred to Section 67 of the Urban Planning Ordinance, 1978, which interalia provides that the Board shall be at liberty to withdraw from the acquisition proceedings of any land, notified under this Ordinance, of which possession has not been taken. He opined that if the land was not denotified then there was no need of its re-notification.

6. On a query by Nawabzada Mohsin Ali Khan, MPA, the Department explained that the land was not denotified under Section 67 of the

Urban Planning Ordinance 1979, however, under section 50 of the said Ordinance, a corrigendum regarding deletion/addition of certain khasras was issued. The Committee observed that the re-notification of the land in question was quite illegal and without any authority. Haji Muhammad Adeel, Deputy Speaker and Mian Gul Asfandyar Amir Zeb, MPA observed that if was established that denotification had not taken place, therefore, payment should have been made according to the “ausat dosala” of 1988 or before.

7. Mian Gul Asfandyar Amir Zeb, MPA, asked the department that who was primarily responsible for pin pointing that denotification was not issued and the payment at enhanced rate was not in order. The Secretary responded that in such circumstances, it was the duty of all involved in the process to have pointed out the irregularity. He however, told that basically Secretary PP&H, Director General, PMU, and Land Acquisition Collector could be held responsible for this lapse. To another question, the Secretary stated that Land Acquisition Collector was the only competent authority for acquisition of land and announcement of award. Mr. Asfandyar Amir Zeb, MPA, in view of the above observed that it was proved beyond doubt that L.A.C. was primarily responsible for not pointing out the irregularity.

8. Regarding mutations/transactions of land after the announcement of Section 50 or Section 4, the Deputy Secretary Law opined that there was no bar on mutations, but added that it would not affect the price of land fixed at the time of acquisition. Mr. Ali Afzal Jadoon, MPA strongly opposed the contention of the Law Department stating that after announcement of Section 50 or Section 4 of the respective laws, mutations were totally banned. The Commissioner Peshawar division, who was summoned to assist the Committee on the issue stated that usually after the announcement of Section 50 or 4, the prices were frozen and no mutation could take place. Nawabzada Mohsin Ali Khan, MPA asked the Commissioner as to what action had been taken against the revenue staff who made mutations during the said period. The Commissioner requested that he may be allowed some time to check the record and provide the requisite information to the Committee by tomorrow dated 7th October, 1997.

9. Mr. Pir Muhammad Khan, MPA, wondered as to how the price of the said land previously fixed at about Rs.33000/- per marla, had abruptly bosted to more than Rs. 2 lac per marla, which in no way was justified.

10. On a question by the Committee, the Director General PDA, informed that as Director General PMU, he lodged an appeal against the award announced by the L.A.C., but on the written order of the Board, the appeal was withdrawn. In answer to a question, the Director General PDA categorically stated that he was not happy with the decision of withdrawal of the appeal, but he was directed by the Board, therefore, he could not do anything. The Chairman asked that what action was taken by him, when he was not satisfied by the decision, the Director General replied in negative. The Chairman directed him to produce the order of withdrawal of appeal, as alleged by him to the Committee by tomorrow.

11. The Chairman inquired about the recipient and disbursement authority of funds received from the Finance Department for the purchase and acquisition of land. The Deputy Secretary Finance Department explained that foreign loans used to come direct to the PMU and G.O.P. share comes through Secretary PP&H to the assignment account of Director General PMU. The Secretary clarified that Director General PMU was the controlling officer of the said account.

12. The meeting was adjourned till 7th October, 1997 at 10:00 A.M.

Sd/-

(HIDAYATULLAH KHAN

CHAMKANI)

Chairman,
Public Accounts Committee.

PROVINCIAL ASSEMBLY OF N.W.F.P.

Monday, the 07th October, 1997.

25th Sitting of PAC.

1. **PHYSICAL PLANNING AND HOUSING DEPARTMENT.**
2. **INFORMATION, SPORTS, CULTURE AND ARCHIVES DEPARTMENT.**

The public accounts Committee assembled at 10:00 A.M. in the Conference Room of the Provincial Assembly of NWFP to continue examination of the Audit Report on the Accounts of Government of NWFP for the year 1994-95 pertaining to Physical Planning and Housing and Information, Sports, Culture and Archives Departments. The following were present:-

PUBLIC ACCOUNTS COMMITTEE:

- | | | |
|----|---|----------|
| 1. | Mr. Hidayatullah Khan Chamkani,
Speaker. | Chairman |
| 2. | Mian Iftikhar Hussain, MPA | Member |
| 3. | Mian Gul Asfandyar Amir Zeb, MPA | Member |
| 4. | Nawbzada Mohsin Ali Khan, MPA | Member |
| 5. | Mr. Pir Muhammad Khan, MPA | Member |
| 6. | Mr. Muhammad Bashir Khan Umerzai,
MPA. | Member |
| 7. | Mr. Najmuddin, MPA | Member |
| 8. | Mr. Ali Afzal Khan Jadoon, MPA | Member. |

BY SPECIAL INVITATION:

Mr. Muhammad Hashim Khan,
Minister for Education/P.P.H.

AUDIT DEPARTMENT:

1. Mr. Shafiullah Khan,
Director-General.
2. Mr. Sikandar Khan,
Director.
3. Mr. Muhammad Ayaz,
Deputy Director.
4. Mr. Murtaza Khan,
Deputy Director.

FINANCE DEPARTMENT:

4. Mr. Ziaur Rehman,
Additional Secretary.

LAW DEPARTMENT:

Mr. Aziz Akhtar Chughtai,
Secretary.

PHYSICAL PLANNING AND HOUSING DEPARTMENT.

1. Mr. Akhtar Munir Marwat.
Secretary.
 2. Mr. Muhammad Akbar Khan Marwat,
Additional Secretary.
- Mr. Farooq Azam Khan,
Director General, PDA.
- Mr. Jamshed Hasan,
Director General, PMU/PUDB.
- Mr. Dilawar Shah Roghani,
Director Legal.
- Mr. Manzoor Ahmad,
Director Finance, PMU.
- Mr. Fakhar-uz-Zaman,
Director Finance, PUDB.
- Mr. Jan Ali,
Director, PMU.

INFORMATION, SPORTS, CULTURE AND ARCHIVES DEPARTMENT.

Col: (Retd) Ghulam Hussain,
Secretary.

Mr. Tariq Mansoor Jalali,
Director Archives.

PROVINCIAL ASSEMBLY:

1. Mr. Muhammad Mushtaq,
Additional Secretary-II
2. Mr. Amanullah,
Deputy Secretary-I.

2. The proceedings of the meeting commenced with recitation from the Holy Quran.

3. The Committee continued discussion on the following paras pertaining to Peshawar Ring Road.

D.P. 702 Excess of Rs.624.997 million over the approved PC-I.

D.P. 760 Un-authorized deposit of funds Rs.277.328 million in the private banks and un-necessary drawal of Rs. 19.000 million through self cheques.

D.P. 849 Non preferring of an appeal against the enhancement of Rs.78.858 million to the upper courts.

D.P. 762 Extra expenditure of Rs.142.786 million due to delay in the acquisition of land.

D.P. 828 Purchase of land for Ring Road in Mohal Lal Ahmad and salu at a high cost.

D.P. 761 Huge loss to the Government due to acquiring land costing Rs.353.189 million at higher rates.

4. The Deputy Director Audit read out the above paras before the Committee. Being identical, they were taken up together.

5. With reference to his previous discussion about mutations after the issuance of notification under Section 4 of the Land Acquisition Act, 1993, the Commissioner Peshawar Division clarified that under the law there was no bar on any transaction of land, but it would be at the risk of buyer. Elaborating the procedure of acquisition of land, he explained that there were two type of acquisitions i.e. firstly on the request of the acquiring department, the Deputy Commissioner issue notification under Section 4 of the Land Acquisition Act and communicate the average price of land to the department. Secondly in case of autonomous bodies, the Tehsildar directly communicate the prices of the land to the LAC of the Organization and not through the Deputy Commissioner. In the present case, the second course was adopted and the price was communicated by the Tehsildar directly to the acquiring department. He further stated that personally he felt that since very high price were fixed, therefore, it was the responsibility of the acquiring department to have requested the Collector and the Commissioner for intervention in this regard.

6. Nawabzada Mohsin Ali Khan, MPA observed that basically the Tehsildar and Collector had failed to determine the cost of land per marla according to the first notification rather they had fixed the price at present market rate, which was totally illegal. Moreover, the department went totally along with the views of the LAC without referring it back to the

Commissioner or Deputy Commissioner for opinion or to hold inquiry Besides, the Department withdrew the appeal which they filed in this connection.

7. Main Gul Asfandyar Amir Zeb, MPA stated that it was the duty of the acquiring department to have ascertained whether proper procedure had been followed. He added that after the award had been issued, the department in certain cases went into appeal which was eventually withdrawn, but in other sections the department did not file any appeal. He asked the department to provide copies of appeal in order to know the contents/grounds of appeal filed by the department.

8. In order to know about the bonafide/malafide of the mutations. Mr. Pir Muhammad Khan, MPA, desired to have names of buyers and sellers and their relationship inter-se. He further asked the present market rate of the adjacent land in the area. The Commissioner Peshawar Division conceded that at present, the cost of land in that area was less than the price on which the department acquired the land in question. Mr. Asfandyar Amir Zeb, MPA, observed that the mutations took place two years before the actual transactions. The “dosala” were around Rs.10 thousand per marla but in one years in which the false mutations took place, the rate went up to about 2 lac fifty thousand/3 lac per marla, but surprisingly, mutations which have taken place one year after the acquisition, the average comes to Rs.250,000/- a kanal i.e. 12 thousand rupees per marla.

9. With regard to written orders by the Board pertaining to withdrawal of appeal from the court as alleged by the D.G. PDA yesterday, he failed to produce the same before the Committee. The legal advisor of PUDB categorically denied the issuance of any such order by the Board.

10. The Secretary PP&H requested the Committee that the decision may be reserved as till the finalization of the inquiry being conducted by the Senior Officers of the Provincial Government in this regard. The Committee did not agree with the Secretary and decided to constitute a Sub Committee comprising of the following Members to probe in depth into the mal practices/mis-appropriation as reported by the Audit with direction to submit its report within one month. The terms of reference will be framed at the time of the issuance of notification of the Sub Committee. The Committee further decided that the Department may nominate officers to associate with the Sub Committee. The Committee also decided that if need be, the services of professionals may be acquired for expert views.

Haji Muhamamd Adeel, Deputy Speaker.

Mian Iftikhar Hussain, MPA.

Mian Gul Asfandyar Amir Zeb, MPA.

Nawabzada Mohsin Ali Khan, MPA.

Mr. Pir Muhammad Khan, MPA.

Mr. Najmuddin, MPA

Mr. Ali Afzal Khan, Jadoon, MPA.

Mr. Bashir Khan Umerzai, MPA.

**PERFORMANCE AUDIT REPORT OF THE PUBLIC
LIBRARY AND ARCHIVES BUILDING PESHAWAR.**

PARA 6.1. Over payment of Rs.424,866 due to payment at incorrect rates.

11. After due consideration, the Committee recommended to drop the para in view of the recovery made and duly verified by the Audit. However, the Committee directed that the department should not repeat such type of lapse.

Para 6.2 Overpayment of Rs.15913/- due to incorrect approval of rates.

12. After due consideration, the Committee recommended that the para may be dropped, as per admission of the Audit that the recovery effectuated has been verified, but in future the department should be careful about repeating such type of laxity.

Para 6.3. over payment of Rs.166526/- due to payment at incorrect rates.

13. After due consideration the Committee recommended that the para may be dropped as per admission of the Audit that the recovery effectuated ha been verified, but in future the department should be careful about repeating such type of laxity.

Para 6.4 overpayment of Rs.592660/- due to payment at incorrect rate analysis.

14. After detailed discussion the Committee directed the Audit department to physically check the site and carry out the analysis and in case the contention of the department was proved to be correct, then in that case the para may be considered as dropped. But if it was proved wrong then recovery may be initiated from the concerned officer within three months, failing which departmental as well as criminal action coupled with recovery may be taken against him. Progress be reported to the PAC.

Para 6.5. Suspected mis-appropriation of furniture costing Rs.88,604/-.

15. The Audit reported that certain furniture provided by the Contractor to the Library of Archives Deptt was not available on the stock. It was apprehended that the furniture was not actually supplied by the Contractor, thus a sum of Rs. 88604/- had been suspectedly mis-appropriated.

16. The Director Archives explained that the PDA had not provided him the record of furniture. The Secretary PP&H contended that the furniture had been handed over to the Library and they have proper handing and taking over documents available on their record.

17. The Committee observed that there was still dispute amongst the Archives and PP&H Depts regarding delivery of the furniture in question. The Committee, therefore, directed the Audit office to carry out physical verification of the furniture and record thereof in both the offices i.e. PP&H and Library. In case it is found that the PDA has not supplied the items to the Archives department, then recovery of the amount involved may be made from the concerned official within three months failing which departmental as well as criminal action may be initiated against him. However, if the documents of both the departments tallied and the furniture was physically available, then the para may be considered as dropped. Progress may be reported to the PAC.

Para 6.6 Irregularity and un-economical expenditure of Rs.2.545 million on purchase of furniture.

18. The Secretary of the department contended that before the bidding, the firm had obtained pre qualification and as such no irregularity had been committed. The Committee recommended the since no loss and accrued to the Government, the para may therefore be dropped. The Committee, however, directed that in future the department should strictly abide by GFR and any subsequent pre-qualification would not be considered as point of defence for the department.

Para 6.7. Un-authorized expenditure of Rs.6.92 Million.

19. The Audit informed that a sum of Rs.6.92 million was incurred on non BOQ items for which rates were approved by Director (Buildings) PDA. The Audit contended that as original technical sanction had been accorded by the D.G. PDA, rates for non BOQ items were also required to have been approved by the same authority. In the absence of such approval, payment so made was unauthorized.

20. The Department admitted the irregularity, but contended that ex-post facto sanction had now been obtained from the Competent Authority. The Hon'ble members strongly objected to the ex-post facto sanction. The Finance Department admitted that there was no provision in the GFR for ex-post facto sanction, but that was a normal procedure. The Audit pointed out that such deviation from General Financial Rules led to the concealment of irregularities in the department.

21. The Committee directed that unless the rules were amended the Department, in future, should strictly follow the explicit provision of GFR in letter and spirit. With the above observation, the para was recommended to be dropped.

Para 6.8. Loss of Rs.0.474 million due to unauthorized execution of marble flooring instead of terrazzo flooring.

22. The explanation put forth by the department that the expenditure on carpeting would have been much more and not useful the one the PDA had done. Taking into consideration the satisfaction of Director Archives, the para was recommended to be dropped.

Para 6.9. Loss of Rs.38661/- due to unauthorized payment on sand filing.

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

Para 6.10. Overpayment of Rs.0.261 million due to payment at in correct rates.

24. The Audit reported that contractor M/S Ghulam Siddique was paid Rs. 1314659/50 for 34147 sft of vinyl tile flooring @ Rs.38.50 per sft. Rate analysis for the said items of work revealed that rates of 30.85 per sft was approved by the Director (Building), but contractor was paid at his choice rate i.e. Rs.38.50 per sft resulting an over payment of Rs.261225/-.

25. The department explained that the figures 30.85 as indicated by the Audit were incorrect. The correct figures were 33.36 per sft. It was further added that the rates were two years old and the contractor was not ready to execute the work on the old rates.

26. The Committee did not agree with the contention of the department that they had not strictly followed the terms of the agreement and the procedure of retendering the work because of the mere fact, that the work would have been delayed. The Committee therefore directed that recovery at the rate above 33.36 per sft, which comes to Rs. 1,75,515, as calculated by the Audit, may be effectuated from the concerned official within three months, failing which departmental as well as criminal action coupled with recovery may be taken against him. However, there will be no bar on him to settle his accounts with the contractor through his own efforts. Progress may be reported to PAC.

Para 6.11. Doubtful payment of Rs.301893 on non BOQ items of work.

27. The department contended that previously in the absence of any schedule rate, they used to adopt the procedure of 17% benefits towards the contractor accounts and 3% income tax, but now as the schedule has been fixed @ 5% income tax and 15% contractor profit, therefore the schedule was strictly being followed. As it was the old procedure, the Committee recommended that the para may be dropped, subject to the assurance that in future they would strictly follow the procedure.

Para 6.12. Over payment of Rs.20796/- due to preparation of unrealistic BOQ.

28. The irregularity was admitted by the department that no external earth was imported to the site and the same material was used,

therefore, recovery of Rs.20,796/- was recommended to be made from the defaulting official within 3 months, failing which departmental as well as criminal action may be taken against him. Progress be reported to the Committee.

**Para 6.13. i) Loss of Rs.0.394 million due to poor specification.
ii) Over payment of Rs.42476/- due to payment at incorrect rates.**

29. The department contended that the required size of Pak made tented glasses were not available in the market and there was no way out but to use the imported material. The Committee accepted the explanation of the department to that extent.

30. With regard to the second portion of the para that the officer had wrongly enhanced the rates from Rs.161.40 per sft to Rs.167/- per sft, the Committee ordered the recovery of Rs.42476/- from the concerned officer within three months, failing which departmental as well as criminal action coupled with recovery may be taken against him. Progress be reported to the Committee.

Para 6.14 Loss of Rs.9250 due to non forfeiture of earnest money.

31. The department explained that recovery had been made. The para was recommended to be dropped subject to verification by the Audit.

Para 6.15 Irregular excess of Rs.3.213 million over technical sanction.

32. Subject to verification of technical sanction by the Audit within two weeks, the para was recommended to be dropped.

Para 6.16. Irregular excess expenditure of Rs.2.113 million on a ducting work.

33. Subject to verification by the Audit about the revised PC-I the para was recommended to be dropped.

Para 6.17 Loss of Rs.258553 due to excess supply of steel.

34. The same decision as incorporated against Draft para No.5.1 (iv) of the minutes dated 8/9/97 regarding Special study Report on Hayat Shaheed Teaching Hospital Peshawar, was up held.

Para 6.18. Loss of Rs.14170 due to less recovery of income tax from the consultant.

35. The Audit reported that the department had deducted income tax @ Rs.3% from the Consultant against the recovery of Rs.5% resulting in a loss of Rs.14170/- to the government.

36. The department explained that till 6/90 income tax @ of Rs.3/- has been deducted according to instruction of the Income Tax Department. Subsequently from 7/91, the income tax deduction rate was enhanced from 3% to 5%. Since the tax has been deducted according to the Income Tax rate upto 6/90, therefore, no overpayment was made.

37. The Committee directed that both the Audit and PP&H Department should sit together and verify the amount and if recovery was found to have not been made according to the income tax rate, then recovery may be made from the Consultant.

Para 6.19. Irregular retention of Govt Fund amounting to Rs.13.710 million.

38. Both the Audit and PP&H Department requested for one months period for detailed scrutiny of the para.

39. The Committee accepted the request/submission of the departments and directed that the matter may be sorted out with in the stipulated period.

Para 5.0 Recommendations.

40. The recommendations at page 290,291 and 292 of the Audit Report were read out before the Committee. The Director General PDA admitted that the recommendations were quite in accordance with the rules. The Committee also considered it pertinent and directed that the same must be followed in future.

41. With regard to Performance Audit Report on Women's Development Project, the Audit office submitted that it was not of great importance, therefore, it needed no consideration. The Committee accepted the submission of the Audit office.

42. The meeting was adjourned sine die.

Sd/-

CHAMKANI)

(HIDAYATULLAH

KHAN

Chairman,
Public Accounts Committee.

PROVINCIAL ASSEMBLY OF N.W.F.P.

Monday, the 30th October, 1997.

26th Sitting of PAC.

HEALTH DEPARTMENT.

The meeting of the Public Accounts Committee was held on 30-10-1997 to examine and discuss the report of the Sub-Committee of Public Accounts Committee in respect of draft para No.123 of the Health Department referred to 22/8/1997. The following were present:-

PUBLIC ACCOUNTS COMMITTEE:

- | | | |
|----|---|----------|
| 1. | Mr. Hidayatullah Khan Chamkani,
Speaker. | Chairman |
| 2. | Mr. Ali Afzal Khan Jadoon, MPA. | Member. |
| 3. | Mian Iftikhar Hussain, MPA | Member. |
| 4. | Mian Gul Asfandyar Amir Zeb, MPA | Member. |
| 5. | Mr. Bahir Khan Umerzai, MPA | Member. |

AUDIT DEPARTMENT:

1. Mr. Shafiullah Khan,
Director-General.
2. Syed Mutahir Shah,
Deputy Director.
3. Mr. Muhammad Ayaz,
Deputy Director.

HEALTH DEPARTMENT.

1. Mr. Muhammad Saleem Khan,
Secretary.
2. Syed Cheragh Hussain,
Deputy Secretary.
3. Dr. Muhammad Ali Khan,
Administrator.
4. Mr. Shams Tabrez,
Section Officer.
5. Mr. Arshad Khan,
Radiologist LRH.

FINANCE DEPARTMENT:

1. Mr. Ziaur Rehman,
Additional Secretary.
2. Syed Afzal Shah,
Budget Officer.

LAW DEPARTMENT:

Mr. Muhammad Shaukat,
Deputy Secretary.

PROVINCIAL ASSEMBLY:

1. Mr. Abdul Hamid Khattak,
Secretary.
2. Mr. Muhammad Mushtaq,
Additional Secretary-II
3. Mr. Amanullah,
Deputy Secretary-I.

2. The proceeding of the meeting commenced with recitation from the Holy Quran.

3. The report of the Sub Committee was placed before the PAC. The Secretary to Government of NWFP,. Health Department agreed to implement the recommendations of the Sub Committee with a little bit technical and procedural changes, which were ordered to be endorsed there-in as amendments to the recommendation put forth by the Sub Committee. The Audit also supported the recommendations. After due consideration, the recommendations of the Sub Committee were approved with slight amendments as under:-

- a. The Government should conduct an enquiry against the official concerned of Health and Finance Department for not demanding/releasing funds for replacement of X-Ray tube of C.T. Scan machine and installation of additional air conditioner in time. The officials found guilty, may be proceeded against under the Efficiency and Discipline Rules. It should be ensured that such type of negligence is not repeated in future;
- b. Subject to financial and technical feasibility, the existing machine may be made operational on emergency basis for which tenders may be floated inviting private parties, interested to operate the same at subsidized rates to be fixed by the Health Department from time to time;
- c. The Health and the Finance Departments should make provisions for funds as soon as possible subject to availability of financial resources for providing a new C.T. Scan machine and also examine the possibility to purchase M.R.I;
- d. The Health Department through proper channel should also request the Pakistan Embassies and other Health organizations, if it is possible to obtain used or un-used machine/equipments from abroad free of cost and

- e. The Medical staff share, as per directive of the government, may be paid after deducting the expenses incurred on perishable/consumable items like, X-Ray tube and chemicals required for the machine.
4. About the factum of fixation of responsibility, an objection was raised, for that matter the Secretary explained that the Government should conduct enquiry and not the department inter-se. Therefore, the Committee directed that the Chief Secretary should conduct an impartial inquiry and pin down the persons concerned in this delinquency. The Enquiry Officer should be of higher grade than the persons, the conduct of whom is to be enquired into.
5. The committee recommended that the para may be considered as dropped subject to the above exercise as suggested by the Sub Committee. The enquiry report should be submitted to the PAC within three months.
6. The meeting was adjourned sine die with a vote of thanks from the Chair.

Sd/-

(HIDAYATULLAH KHAN

CHAMKANI)

Chairman,
Public Accounts Committee.

