

**PROVINCIAL ASSEMBLY OF N.-W.F.P.**

PRELIMINARY REPORT OF THE

PUBLIC  
ACCOUNTS  
COMMITTEE

ON THE

**ACCOUNTS OF THE**

GOVERNMENT OF N.W.F.P.

FOR THE YEAR

**1989-90**

**PRELIMINARY REPORT OF THE PUBLIC ACCOUNTS COMMITTEE**  
**ON THE ACCOUNTS OF THE GOVERNMENT OF NWFP**  
**FOR THE YEAR 1989-90.**

**INTRODUCTION.**

The Public Accounts Committee was formed on 4<sup>th</sup> August, 1994 under rule 159 of the Provincial Assembly of NWFP, Procedure and Conduct of Business Rules, 1988 after the lapse of 9 months since the Constitution of the present Assembly.

The Committee consists of the following Members:-

1.	Speaker,	Chairman
2.	Minister for Finance.	Member Ex-Officio
3.	Syed Allauddin.	Member
4.	Mr. Iqbal Hussain Khattak.	Member
5.	Mr. Salim Saifullah Khan.	Member
6.	Mr. Ghani Muhammad Khan.	Member
7.	Mr. Jehangir Khan.	Member
8.	Mr. Anwar Kamal Khan.	Member
9.	Mr. Pir Muhammad Khan.	Member
10.	Haji Muhammad Adeel.	Member
11.	Dr. Inayatul Haq.	Member

The following business is pending since the previous Assembly.

- a. Audit reports, Appropriation Accounts and Finance Accounts for the years 1985-86 to 1989-90.
- b. Commercial Accounts for the years 1983-84 to 1988-89.

**GENERAL OBSERVATIONS.**

In this inaugural speech, Mr. Speaker (Chairman, PAC) welcomed the participants to the meeting. He highlighted importance of the Public Accounts Committee and before taking up the Draft Paras of the Auditor-General's Report for the financial year 1989-90 stated that:-

- i) While constituting the Public Accounts Committee, he gave a deep thought and tried to select such Members on the Committee, who are well qualified

and could contribute in achieving the objectives. He stressed on the members of the Committee that it was their legal and moral duty to probe into the irregularities brought into their notice by the Audit Department and make such recommendations as to bring the culprits to task and safeguard the reiteration of such irregularities in future;

- ii) It was made clear that the Committee was not biased and would, therefore, examine the para without fear and favour;
- iii) IN the past the decisions of the Public Accounts Committee were not perused and due to lack of follow up action, no tangible results could be achieved. This time, to ensure that the directives of PAC are implemented by the Departments in letter and spirit, a PAC follow up Cell had been set up in the Assembly Secretariat, whose sole task would be to find out as to what action had been taken by the concerned Departments on the directives of the Public Accounts Committee and report progress to the Committee. Suitable action would be initiated against the Departments in the light of the report of the PAC Cell, if it is found that the decisions of the Public Accounts Committee have not been implemented, he added;
- iv) The Chairman over emphasized the attendance of the Public Accounts Committee meetings by the Administrative Secretaries and categorically stated that their absence would not be excused, without cogent reasons. In case it was not possible for them to attend, then this should be intimated to the Assembly Secretariat alongwith the name of the officer, who would represent them.

### **FACTS AND FINDINGS**

In order to clear the back-log, it was of current and previous years will be taken simultaneously. Therefore, the accounts for the financial year 1989-90 were taken first.

It was also noticed that the Finance Accounts of Government of NWFJ were not discussed by the previous Assemblies. It was, therefore, decided for the first

time to discuss the said Accounts, for which concerned Departments have been directed to furnish their working papers. The report will be submitted shortly.

The Public Accounts Committee held its series of meetings at Kalam, Kund and Peshawar respectively. The Committee considered the Audit Report and the said year within 30 working days w.e.f. 16/08/1994 to 11/10/1994. The meetings of the Committee were attended by the following Hon'ble Members of the Committee:-

1.	Speaker,	Chairman
2.	Minister for Finance.	Member Ex-Officio
3.	Syed Allauddin.	Member
4.	Mr. Iqbal Hussain Khattak.	Member
5.	Mr. Salim Saifullah Khan.	Member
6.	Mr. Ghani Muhammad Khan.	Member
7.	Mr. Jehangir Khan.	Member
8.	Mr. Pir Muhammad Khan.	Member
9.	Dr. Inayatul Haq.	Member

The main task before the Public Accounts Committee was to eliminate irregularities and to ensure that strict financial discipline is observed by all the Administrative Departments of the Provincial Government.

The Committee found that the various Departments display enormous fervour and zeal in getting Budgets and recurring expenditure. But they do not give proper attention towards financial management, which is essential requirement for running smooth accounting system under the rules. The Departments do not extend their help to the Audit and Accounts Department i.e. Accountant General, nor do they obtain prior sanction of the Finance Department for the release of funds in time and for reappropriation etc.

Some draft paras were referred to the Sub-Committee for detail scrutiny and report.

## **INSTRUCTION.**

### **STOCK AND STORES.**

The Committee observed with great concern that the stock registers were not properly maintained by the Departments. The registers were normally not produced before the Audit at the time of audit. This was, the Committee observed, violation of GFR. It was held that it was the duty of the Incharge Officer to maintain proper record, make necessary entries in the stock register immediately, after the purchase. Ignoring this was a gross negligence, lack of financial discipline on the part of the concerned officer and entailed disciplinary action under the E&D Rules.

All the Departments dealing in stores would prepare the statements and complete its record, which will be verified by the Audit Party before 31/12/1994.

### **PENSION AND G.P. FUND CASES.**

The Public Accounts Committee observed that inspite of repeated instructions, the Departments were not paying attention to the finalization of Pension and GP Fund cases of the retiring/deceased Government Servants. The Committee showed concern over the delay in the final payment/disposal of pension and GP Fund cases inspite of the fact that rules stipulated that pension cases would be initiated one year before the date of retirement and submitted one year before the date of retirement and submitted to the Audit office within six months. The Committee directed that in future if the cases are delayed the concerned Head of Department will be held personally responsible. It was also decided that the Secretary Assembly may notify in bring the delays in the process, asking the retired/retiring officials to bring the delays in the finalization of their pension cases into the notice of PAC.

### **PRODUCTION OF CORRECT STATEMENT BEFORE THE PAC.**

The Committee directed that in future if false or wrong statements, verbal or written are made before the Committee, the Secretary of the Department would be held responsible. It was the duty of the Administrative Secretary to make sure that the statement before coming to the Committee is supported by documentary proofs, and based on correct information. The Secretary should hold meetings with the Head of

concerned Departments in order to ensure that the documents being brought before the Committee are factual. It was also decided that if the documents are not signed by the Secretary, would be accepted by the Committee in future.

### **RECONCILIATION OF ACCOUNTS.**

The Heads of the Departments should participate in the preparation of Budget themselves. All the Departments should review the specified amounts of current year in the month of March and if they have surplus amounts, they should not lapse such amounts, but surrender them in time, so that it may be possible that the surplus amount may be utilized by any other Department or Departments for any productive purpose and the Province be not damaged or if they require more amounts, they should approach the Finance Department for the provision to protect themselves from excess, as perpetration of excess is contrary to the financial regulation. If they defray their surplus demands by reappropriation, it should be intimated timely to the Finance Department. The modified grant of each Department for the past year should be got verified/reconciled with the record of Finance Department upto 31 August on the expiry of fiscal year. Similarly the annual expenditure incurred by the Department should be reconciled with the record of the Accountant General's office, immediately after the close of the financial year.

### **CHEQUE SYSTEM.**

The cheque system may be introduced for the distribution of salaries in the Education Department in order to avoid misappropriation of Government money.

### **MANSEHRA EDUCATION SCANDAL.**

The Anti-Corruption Department may be directed to complete its challan of the Mansehra Education Scandal and put it in court within a month.

### **PAK/GERMAN PROJECT.**

The Provincial Government should exempt the Education Department from the purchase of furniture from Pak-German only and may be allowed to purchase furniture from the open market, because inspite of payment the Pak German his failed to provide furniture to the Education Department.

### **ELIMINATION OF CONTRACT SYSTEM.**

The Food Department may discontinue contract system to eliminate undue payment of millions of rupees on purchase of wheat.

### **MSD.**

The Hospital and the basic health units may be authorized to purchase medicines locally within their budgetary allocation because it was noticed that the purchase of medicines by MSD was a lengthy process and consumed at least five months and during this period the Hospital and basic health units remained without medicines. The Committee also recommends that the MSD is un-necessary and needed to be done away with.

### **RESTORATION OF STORES.**

The Public Accounts Committee reconsidered restoring of stores in the C&W Department in order to overcome the problems faced by the contractors. However, it is recommended that the stores should be in the charge of responsible officers instead of storekeepers and may be checked periodically.

Detail of the proceedings may please be perused at Annexure "A".

The recommendations of the Public Accounts Committee may please be approved.

**ABDUL AKBAR KHAN,  
SPEAKER/CHAIRMAN.**

Minister for Finance/Member.

Syed Allauddin,  
Deputy Speaker/Member.

Mr. Iqbal Hussain Khattak,  
Minister/Member.

Mr. Salim Saifullh Khan,  
Member.

Mr. Ghani Muhammad Khan,  
Member.

Mr. Jehangir Khan,  
Member.

Mr. Pir Muhammad Khan,  
Member.

Dr. Inayatul Haq,  
Member.

Haji Muhammad Adeel,  
Member

Mr. Anwar Kamal Khan Marwat,  
Member.

# ANNEXURE

# A

## PROVINCIAL ASSEMBLY OF N.W.F.P.

### PROCEEDINGS OF THE MEETING OF PUBLIC ACCOUNTS COMMITTEE HELD IN THE C&W REST HOUSE, KALAM ON 16/08/1994 AT 10:00A.M.

- I. The following were present:-
- |    |                                                                                                                                                                             |               |
|----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|
| 1. | Mr. Abdul Akbar Khan, Speaker                                                                                                                                               | Chairman      |
| 2. | Mr. Pir Muhammad Khan, MPA                                                                                                                                                  | Member        |
| 3. | Dr. Inayatul Haq, MPA                                                                                                                                                       | Member        |
| 4. | Mr. Ghani Muhammad Khan, MPA                                                                                                                                                | Member        |
| 5. | Mr. Niamatullah Abid,<br>Director-General, Audit, NWFP.                                                                                                                     |               |
| 6. | Hafiz Manzoor Ahmad Sethi,<br>Additional Secretary to Govt: NWFP,<br>Food, Agriculture, Livestock and<br>Dairy Development Department,<br>Representative of Food Secretary. |               |
| 7. | Mr. Ziaur Rehman,<br>Additional Secretary to Govt: of NWFP,<br>Finance Department,<br>Representative of Finance Secretary.                                                  |               |
| 8. | Mr. Muhammad Shaukat,<br>Deputy Secretary to Govt: NWFP,<br>Law and Parliamentary Affairs Deptt.<br>Representative of Law Secretary.                                        | By invitation |
- II. Mr. Abdul Hameed Khattak, Secretary Provincial Assembly of N.W.F.P. acted as Secretary to the Committee.
- III. The Committee took up for consideration the Auditor-General's report for the financial year 1989-90 in respect of Food, Agriculture. Livestock and Dairy Development Department.

#### **DP 46**      **Non-recovery of Rs.89,971/- on account of sales of milk.**

Para stands. The Committee did not accept the explanation of the Livestock Department that Harichand was not a Dairy Farm but it was established for Cattle breeding purpose. The explanation in regard to non-recovery of the amount on account of milk sold was also taken a serious view. The action initiated by the Department against the two officials, one of whom was re-instated later on the assurance

that he would make the payment of his share. The Committee observed that it did not absolve him from the offence committed by him. The Committee further observed that the officers incharge did not exercise proper check and control and hence equally responsible. The Committee after lengthy discussions decided to constitute a Sub-Committee consisting of Mr. Ghani Muhammad Khan and Mr. Pir Muhammad Khan, MPAs with a representative each from Audit, Law and Finance Departments, to look into the matter with the following terms of reference:-

- i) To find out the amount recovered so far from the official who agreed to deposit the same in installments.
- ii) To pin point the name of the officer, who was Incharge at the time the pilferage took place.
- iii) To recommend punishment/penalty for the officer Incharge found guilty of negligence.
- iv) To suggest measures with regard to the outstanding recoverable amount from the officials involved.
- v) To examine whether measures for proper internal check system had been adopted by the Department or not.
- vi) To hold meetings in the afternoon during the current series of PAC meetings, to finalized the report and submit it within one month.

**DP 79**      **Non-recovery of outstanding dues amounting to Rs.0.481 million on account of sale proceed.**

The Committee did not accept the explanation offered by the Department for non-recovery from the various Departments. Agents and organizations. The Chairman observed that the Department even after the offence was established did not take action against the culprits and offenders. It was, he further observed due to the lenient view of the Department, which allowed the culprits to indulge in malpractices over and again. He expressed surprise over the outstanding amount against the Departments, inspite of the fact that each Department had budgetary provision for such purposes. The Committee took a serious view of the credit given to the Swedish Aid Organization in Chaman, Quetta, as it was out of the territorial jurisdiction of the Authority. Besides papers unsigned, when produced before the Committee did not include the credit recoverable from the Swedish Organization, whereas the representative of the Department before the presentation of the list claimed that it had been recovered. This contradiction was taken a

serious note by the Committee. The Department, when asked, could not produce the list of the defaulters, which created further suspicion about the authenticity of the list produced before the Committee. The Committee regretfully noted that the Department had tried mislead the Committee by giving false statements. The Committee was convinced that the recovery statement was bogus. The Committee decided to pend deliberations until it should be further checked by the Audit within 3 to 4 days and report is submitted to the PAC on 25/08/1994. It was also decided by the Committee that in future if false or wrong statement, verbal or written are made before the Committee, the Secretary of the Department would beheld responsible. It was, the committee observed, the duty of eh Administrative Secretary to make sure that the statement before coming to the Committee is supported by documentary proofs, and based on correct information. The Secretary should hold meeting with the Head of concerned Departments in order to ensure that the documents being brought before the Committee are factual.

**DP 41**            **Loss of Rs.91,512/- due to sale of old fertilizer on old rates.**

The Committee did accept the explanation offered by the Authority. It was noticed that the issue was dealt in a routine way, ignoring its financial implications. Instead of sending telegram, the Department could have contacted the District Suppliers on telephone. If it was not possible the Authority could have sent special messengers to the District suppliers. Had it been done, it would have averted the financial loss. The Committee further observed that the sale made on 10<sup>th</sup> and 11<sup>th</sup> was abnormally greater, which established the fact that the Department in conaince with the particular buyers allowed sale of fertilizer on old rates, and the District Suppliers being in the know of increase of prices. The Committee was of the view that the sale at the old rates was deliberate. The Committee directed that the Audit Department shall further check the sale made a week before and after the 10-11<sup>th</sup> of October to help the Committee to reach at a final conclusion. The Audit should submit its report to PAC on 25/08/1994.

**DP 51**            **Non-receipt/Adjustment of rebate of Rs.0.522 million.**

The Committee did accept the explanation of the authority that the Punjab Seed Corporation was approached for the rebatein the succeeding years, on the ground that there was no written record available with the Department to substantiate the

statement. The Committee was of the view that the matter was neither taken up before the purchase of seeds nor perhaps pursued vigorously. Had it been done the authority would have agreed, as in 1985-86. The Committee observed that the grant of rebate in 1990-91 by Seed Corporation further proved the point. The Committee was convinced that it was due to laxity and carelessness on the part of the Department, which resulted in loss of heavy amount to the public ex-chequer. The Committee recommended to drop the para with the observation that in future for all such transactions, the Department should take up the matter in time and persuade the Seed Corporation to allow rebate.

**DP 83**            **(Water Management. DI Khan).**

Since the explanation offered was not accepted by the Committee, as the irregularity was pointed out in 1989 but in spite of that the record was not made available to the Audit for verification. The Committee took strong exception of the absence of the Director without informing the Committee. The Committee noted that if his participation in the CDWP meeting was inevitable, he should have deputed his No.2 and intimated the Assembly Secretariat accordingly. The Chairman desired that the Director may be asked to furnish the invitation letter whereby he was required to attend the CDWP meeting. The Committee recommended to drop the para, subject to verification by Audit during the current series of meetings of the PAC along with the direction that the Director would be present when the verification report is submitted by Audit.

**DP 85**            **Irregular purchase of two vehicles costing Rs.26,02,22,151/-.**

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

**DP 136**            **Suspected mis-appropriation of Store Articles worth Rs.1,09,024/-.**

Para stands. The Committee observed with concern that non-accountal of stock articles at the time of Audit was a serious financial lapse and the Stock Register were not produced before the Audit, as in majority cases they were either incomplete. This led to the suspicion of mis-appropriation by the official in charge of maintaining the record. This, was violation of GFR, the Committee observed. The Audit would verify within ten days, that proper entries were made in the Stock Register. The Committee

unanimously decided that in future the staff responsible for maintaining/verifying registers should, if they are failed to comply with the directive, be proceeded against under the E&D Rules, under intimation to the PAC.

**Delay in disposal of Pension Cases by the Deptt:**

**Delay in disposal of final payment of GP Fund by the Deptt:**

The paras are recommended to be dropped with the observation that inspite of repeated instructions by the PAC the Departments were not paying attention to the finalization of Pension and GP Fund cases of the retiring/deceased Govt. Servants. The Committee showed concern over the delay in the final payment/disposal of Pension and GP Fund cases inspite of the fact that rules stipulated that pension cases would be initiated one year before the date of retirement and be submitted to the Audit office within six months. The Committee directed that in future if the cases are delayed the concerned Head of Department will be held personally responsible. It was also decided that the Secretary Assembly may notify in the press, asking the retired/retiring officials to bring the delays in the finalization of their pension cases into the notice of PAC.

**DP 51 & 52 Non-production of Store Accounts, DASO, Pesh;**

Since the stock registers, were verified by the Audit, though belatedly, the Committee recommended to drop the paras with the observations that in future the stock register would be made available to the Audit Party during the Audit. Proper record should be maintained in light of para 151 GFR Vol-I.

**DP 103 Loss of Rs.0.111 million due to issue of 74.323 M. tons sugar at lesser rate.**

The Committee recommended to drop the para when the factual position was known that only 5 tons of sugar at lower rate was sold and not 74.323 tons of sugar as reported by the Audit.

**DP 128 Loss of Rs.0.751 million.**

Para stands. The explanation offered by the Department that the peoples of Chitral were sensitive to red wheat and hence the wheat could not be sold was not found plausible by the Committee. The Committee was of the view that if this was the position, the wheat should have been dispatched to other sale points. The Committee observed that

the wheat continuously lying in the stock in Godowns without taking adequate pre-cautionary measures were taken to safeguard them from rains and other providential incidents was the main reason that the wheat got infested. The Chairman observed and desired to know to:-

- i) Whether the DFC, Chitral informed the concerned Directorate about the sensitivity of the peoples of Chitral and recommend withdrawal of wheat from Chitral to other places.
- ii) Whether any action was taken against the officer concerned fro not taking necessary steps for safeguarding the wheat in the stocks.

It was decided that the DG, Audit should check the relevant record and report the factual position to the Committee within 10 days. It was also decided that no auction of the said wheat would be made unless the para was finally decided by the Committee. A Sub-Committee comprising of Dr. Inayatul Haq and Mr. Ghani Muhammad Khan, MPAs was constituted to inspect the red wheat in the stocks in Chitral and submit report within shortest possible time to the Committee.

**DP 138**      **Non-disposal of empty Gunny bags.**

Subject to verification by Audit that the bags given to the PASSCO for procurement have not been charged from the Department, the para is recommended to be dropped.

The meeting then adjourned till 17/08/1994

**(ABDUL AKBAR KHAN),**  
**SPEAKER/CHAIRMAN, P.A.C.**

- DP 60**            **Double payment of freight charges of Rs.0.019 million.**
- DP 126**           **Irregular payment of Rs.3.419 million on account of freight charges of Afghan Refugees imported wheat.**
- DP 84**            **Excess expenditure of Rs.0.328 million and above the Budget allotment.**
- DP 129**           **Non-accountal of 200 bags of wheat worth Rs.48,400/-**

The para are recommended to be dropped, subject to verification by the Audit and with the observation that financial discipline should be strictly followed.

- DP 133**           **Non-obtaining of accounts for disbursement of Rs.6.362 million.**

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

#### **FINANCIAL RESULTS OF STATE TRADING SCHEMES**

The Committee observed that the subsidy given by the Government was originally meant for the consumers, but in fact the benefit was not passed on to them and was instead pocketed by the Mill owners. The price of the wheat ex-factory was not realistic. It was felt that no serious efforts was ever made by the Food Department to keep the price of wheat within reasonable limit. There was general realization that the prices of current wheat could be further reduced. It was decided to constitute a Sub-Committee consisting the following Members to examine that as to how the benefit of subsidy given by the Government could be passed on to the consumers:-

1.     Dr. Inayatul Haq, MPA
2.     Mr. Ghani Muhammad Khan, MPA
3.     Mr. Jehangir Khan, MPA

The Sub-Committee would hold meetings with the Food Department, Audit Department and if necessary with the Mill owners and submit its report to the PAC.

## **BOARD OF REVENUE**

### **DP 28**            **Excess expenditure of Rs.1,38,407/- over sanctioned budget.**

The Committee noted that though technically the irregularity had been committed, however, the intention was bonafide, the para is recommended to be dropped, with the observation that such irregularity should be avoided in future.

### **DP 65**            **Excess expenditure of Rs.55,186/- over budget allotment.**

The explanation offered by the Department was found satisfactory, the Committee, therefore, recommended that the para may be dropped.

### **DP 700**           **excess expenditure of Rs.73,653/- over the fix limits of the residential telephones.**

### **DP 137**           **Recovery of telephone charges of residential telephone amounting to Rs.45,392/-.**

The Committee took a serious view of excess expenditure and did not agree with the suggestion of the Department that the DC/AC/SP etc may be exempted from the Ceiling. It was felt that the ceiling was realistic. The Committee recommended that the para may be condoned with the observation that in future if excess expenditure is incurred, the concerned officers would be liable to pay from their own pockets.

### **DP 48**            **Non-recovery of Abiana amounting to Rs.9.453 million.**

The para is recommended to be dropped on the undertaking of DC that the remaining amount would be recovered till December, 1994, to be verified by the Audit.

### **DP 1060**        **Non-recovery of Govt. dues amounting to Rs.33,04,412/-.**

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

### **DP 50**            **Un-authorized remission of Govt. dues amounting to Rs.1,38,750/-.**

Para stands. The Committee observed that the Dy: Commissioner was not competent to remit. He exceeded his powers, as such was guilty of mis-use of authority, which cost substantial loss to the public exchequer. It was decided that the money be recovered from the Contractor. In case it is not recovered within a week then it should be recovered from the DC concerned who granted remission.

**DP 105**      **Un-necessary drawl and blockage of Govt. money amounting to Rs.8,48,920/- Non-production of record.**

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

**DP 135**      **Loss of Rs.92,560/- on the construction of play ground.**

Para stands. The para relates to C&W Department, therefore, it should be included in their working papers.

**DP 102**      **Irregular purchase of Vehicles resulting in loss of Rs.3,25,000/-.**

The para is recommended to be dropped with the observation that prior approval of the Finance Department should be obtained instead of Es-post facto sanction in future.

**DP 1076**      **Irregular deposit of Rs.9.4359 million in Commercial banks.**

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

**Delay in disposal of pension cases**  
**Non-reconciliation of Accounts.**

In view of the general instructions, the paras are recommended to be dropped.

**Inspection of Treasuries**

The contention of the Department that as the Treasuries are now under the direct control of the Finance Department and hence the inspection be carried by the Finance Department was not accepted. It was observed that under Rule-170 of the Federal Treasury Rules illustrates that. "Every Collector shall make a systematic inspection of the working of the treasury once a year with the object of ensuring that the procedure observed at the treasury is in accordance with the rules and the accounts and other records are properly maintained.

**DP 62**      **Non-maintenance of Store accounts PA, Mkd.**

It was decided that as the para related to Home Department, it will be discussed with the working papers of eh Home Department. Necessary record would be sent by the Audit to the Home Department.

**DP 262**      **Irregularities in the RECEIPT AUDIT Excise and taxation Deptt:**

It was decided that these working papers would taken up for discussion and deliberations by the Committee with the Appropriation/Finance Accounts of the Department in the middle of September, 1994.

The meeting then adjourned till 18/08/1994

**(ABDUL AKBAR KHAN),**  
**SPEAKER/CHAIRMAN,**  
**Public Accounts Committee**

## **PROVINCIAL ASSEMBLY OF N.W.F.P.**

### **PROCEEDINGS OF THE MEETING OF PUBLIC ACCOUNTS COMMITTEE HELD IN THE C&W REST HOUSE, KALAM ON 17/08/1994 AT 10:00A.M.**

I. The following were present:-

- |     |                                                                                                                                                                             |                      |
|-----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|
| 1.  | Mr. Abdul Akbar Khan, Speaker                                                                                                                                               | Chairman             |
| 2.  | Mr. Iftikhar Khan Mohmand,<br>Minister for Finance, NWFP                                                                                                                    | Member<br>Ex-officio |
| 3.  | Syed Allauddin, Dy. Speaker                                                                                                                                                 | Member               |
| 4.  | Mr. Pir Muhammad Khan, MPA                                                                                                                                                  | Member               |
| 5.  | Dr. Inayatul Haq, MPA                                                                                                                                                       | Member               |
| 6.  | Mr. Jehangir Khan, MPA                                                                                                                                                      | Member               |
| 7.  | Mr. Bakht Baidar Khan, MPA                                                                                                                                                  | Member               |
| 8.  | Mr. Ghani Muhammad Khan, MPA                                                                                                                                                | Member               |
| 9.  | Mr. Khalid Mansoor,<br>Senior Member, Board of Revenue, NWFP                                                                                                                |                      |
| 10. | Hafiz Manzoor Ahmad Sethi,<br>Additional Secretary to Govt: NWFP,<br>Food, Agriculture, Livestock and<br>Dairy Development Department,<br>Representative of Food Secretary. |                      |
| 11. | Mr. Niamatullah Abid,<br>Director-General, Audit, NWFP.                                                                                                                     |                      |
| 12. | Mr. Ziaur Rehman,<br>Additional Secretary to Govt: of NWFP,<br>Finance Department,<br>Representative of Finance Secretary.                                                  |                      |
| 13. | Mr. Muhammad Shaukat,<br>Deputy Secretary to Govt: NWFP,<br>Law and Parliamentary Affairs Deptt.<br>Representative of Law Secretary.                                        | By invitation        |

II. Mr. Abdul Hameed Khattak, Secretary Provincial Assembly of N.W.F.P. acted as Secretary to the Committee.

III. The Committee took up for consideration the Auditor-General's report for the financial year 1989-90 in respect of the following Administrative Departments

- i. Food, Agriculture. Livestock and Dairy Development Department.

ii. Board of Revenue.

**FOOD, AGRICULTURE. LIVESTOCK AND  
DAIRY DEVELOPMENT DEPARTMENT.**

- DP 96**            **Transit shortage of 131.570 M. tons imported wheat valuing Rs.3,55,540/-.**
- DP 139**           **Recovery of Rs.17,43,011/- on account of transit shortage of imported wheat weighing 668.223 M. tons.**
- DP 140**           **Short delivery of imported wheat Rs.1.582 million.**
- DP 142**           **Transit shortage of 696.358 M. tons imported wheat against domestic quota valuing Rs.1.5 million.**
- DP 156**           **Transit loss of wheat worth Rs.2,40,000/-.**

Paras stand, being identical were taken up together and referred to the Sub-Committee of PAC, to be constituted by the Chairman. The Department gave various reasons for the shortage with an effort to convince the Committee that the shortage was beyond their control. The Department informed that in order to control the shortage, which was due to pilferage during transit from Karachi, the Handling Agents were engaged at a rate of Rs.15 per ton. The Committee found that this change in the mode of transportation was of no help shortages were still there. The Committee also showed dissatisfaction over the enquiry reports in which the Department had not held any body responsible for the losses. The Committee also observed that the shortages might be much greater than reported by the Audit as the Audit had only audited few cases. The Committee was convinced that the drying up of moisture in the wheat was not the only factor, which was responsible for the shortage. The contention of the Department that the shortages were within the permissible limits of 1.75% did not appeal to the Committee. The Minister for Finance observed that in addition to the shortages the quality of wheat was also not the same as transported from Karachi. He expressed apprehension that during the transit the wheat was being replaced by the sub-standard wheat. Neither the Audit nor the Department itself even pointed it out.

The Committee unanimously decided that the engagement of Handling Agents should be stopped forthwith. The Committee observed that the officials loading and receiving were mainly responsible for shortages. It was decided that in future the officials of the Department at the dispatching point and the receiving end will be

responsible, if there is any shortage. The Committee directed that the Food Department in consultation with the Finance Department may evolve a system as deem necessary, to ensure that no pilferage/shortage as apprehended by the Food Department takes place between the two destination.

**DP 17**            **Non-deduction of Income Tax amounting to Rs.0.136 million.**

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

**DP 104**            **Non-recovery of incidental charges of Rs.0.164 million.**

**DP 125**            **Awaited recovery of incidental charges of Rs.0.811 million.**

**DP 141**            **Non-recovery of incidental charges of Rs.9.323 million.**

**DP 146**            **Non-recovery of Govt. dues amounting to Rs.4.992 million.**

**DP 149**            **Non-recovery of incidental charges Rs.43.359 million.**

**DP 153**            **Non-recovery of incidental charges amounting to Rs.2.766 million.**

The paras being identical were taken together and the Committee observed that the Department did not anticipate the total liability on account of incidental charges and hence did not make adequate provisions in their budget. The Department while preparing the project should have visualized the contingencies and make necessary budgetary provision in the original project document. It was also felt that the Food Department did not take appropriate measures while providing wheat to the Departments. It was noted that the concerned Departments against whom the amount was outstanding also failed to take necessary steps for arranging funds for payment to the Food Department.

The Committee decided to refer the matter to the Sub-Committee already constituted in draft para-128, of DFC Chitral, which would investigate into the matter, to determine whether the Food, Local Govt. Health and Forests Departments taken up the case with the P&D Department and if taken why the P&D Department did not make necessary allocation in the developmental budget.

**DP 148**

**Non-recovery of arrears of Sugar Cess Funds of Rs.4.036 million from Charsadda Sugar Mill.**

Para stands. The Committee observed that the Cess belonged to the growers and it should be spent on their welfare and best interest. The Cess money was meant for construction of Farm to Market Roads and Aerial spray on the crops. Its non-utilization for long spell of time not only deprived the growers of their right but also adversely affected the provision of infra-structure i.e. roads etc for 5 years. The cost of material was less and more services could be provided 5 years back, whereas now due to hike in prices it would hardly provide half or even less services. The Committee decided that the amount may be recovered immediately alongwith penalty from the Sugar Mills. Taking serious view of the case, it was also decided that the Department should fix responsibility for non-recovery of Cess and intimate the names of officials responsible for this lapse. Report should be submitted to the PAC within one month.

## **PROVINCIAL ASSEMBLY OF N.W.F.P.**

### **PROCEEDINGS OF THE MEETING OF PUBLIC ACCOUNTS COMMITTEE HELD IN THE C&W REST HOUSE, KALAM ON 18/08/1994 AT 10:00A.M.**

I. The following were present:-

- |     |                                                                                                                                                           |                      |
|-----|-----------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|
| 1.  | Mr. Abdul Akbar Khan, Speaker                                                                                                                             | Chairman             |
| 2.  | Mr. Iftikhar Khan Mohmand,<br>Minister for Finance, NWFP                                                                                                  | Member<br>Ex-officio |
| 3.  | Mr. Iaqbal Hussain Khattak,<br>Provincial Minister, NWFP                                                                                                  | Member               |
| 4.  | Syed Allauddin, Dy. Speaker                                                                                                                               | Member               |
| 5.  | Mr. Pir Muhammad Khan, MPA                                                                                                                                | Member               |
| 6.  | Mr. Jehangir Khan, MPA                                                                                                                                    | Member               |
| 7.  | Mr. Bakht Baidar Khan, MPA                                                                                                                                | Member               |
| 8.  | Mr. Ghani Muhammad Khan, MPA                                                                                                                              | Member               |
| 9.  | Mr. Khalid Mansoor,<br>Senior Member, Board of Revenue, NWFP                                                                                              |                      |
| 10. | Mr. Abdur Rauf Khan,<br>Secretary to Govt: NWFP,<br>Local Government, Elections<br>And Rural Development Department,                                      |                      |
| 11. | Mr. Niamatullah Abid,<br>Director-General, Audit, NWFP.                                                                                                   |                      |
| 11. | Mr. Ziaur Rehman,<br>Additional Secretary to Govt: of NWFP,<br>Finance Department,<br>Representative of Finance Secretary.                                |                      |
| 12. | Mian Sahib Jan,<br>Economic Advisor,<br>Industries, Commerce, Mineral Dev,<br>Labour and Transport Department.<br>Representative of Secretary Industries. |                      |
| 13. | Mr. Muhammad Shaukat,<br>Deputy Secretary to Govt: NWFP,<br>Law and Parliamentary Affairs Deptt.<br>Representative of Law Secretary.                      | By invitation        |

II. Mr. Abdul Hameed Khattak, Secretary Provincial Assembly of N.W.F.P. acted as Secretary to the Committee.

III. The Committee took up for consideration the Auditor-General's report for the financial year 1989-90 in respect of the following Administrative Departments:-

- i. Local Government, Elections and Rural Development Department.
- ii. Industries, Commerce, Mineral Development Labour and Transport Deptt:

**LOCAL GOVERNMENT, ELECTIONS AND  
RURAL DEVELOPMENT DEPARTMENT.**

**DP 55            Infertuous expenditure of Rs.0.454 million.**

The para is recommended to be dropped with the observation that in future before undertaking the digging of a tubewell on a site, identified by the MPA, a feasibility may be carried out and the survey, if any done by the WAPDA may also be consulted. In case, according to the feasibility and the survey the scheme is found to be not feasible, the same may be brought to the notice of MPA. Further action on such a tubewell may be taken in light of the direction of the concerned MPA.

**DP 56            Wasteful expenditure of Rs.1,39,000/- on defective construction of school building.**

Para stands. The Department itself was of the view that the purchase of land costing Rs.32,000/- was not included in the original scheme and as such amounted to violation of rules. It was brought to the notice of the Committee that the case was, however, taken up with the P&D Department for the relaxation, which was still awaited. The Committee took a serious view and who, in disregard of the rules, purchased the land.

**DP 57            Irregular payment of Rs.0.189 million.**

The para is recommended to be dropped, accepting the explanation of the Department that the work was executed through the Project Committee on the direction of the concerned MPA and the work done was more than projected in the estimates.

**DP 71**            **Excess payment of Rs.2,74,049/- due to re-tendering of work.**

The explanation offered by the Department to the effect that the cheque was issued in the name of new Contractor was convincing, hence the Committee recommended that the para may be dropped.

**DP 73**            **Non-measurement of works worth Rs.1.883 million.**

**DP 54**            **Non-Adjustment/recovery of advances to Rs.2.658 million.**

Since the Secretary, Local Government Department had no complete of the expenditure incurred after the ban on the programme, the Committee decided that the paras would stand and until the Secretary, Local Government Department alongwith the Assistant Directors bring complete record of the cases when these will be taken up for further consideration on 25/08/1994.

**DP 1056**        **Undue payment of Rs. 1 lac made for incomplete work involving over payment of Rs.4,900/-also.**

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

**INDUSTRIES, COMMERCE, MINERAL DEVELOPMENT  
LABOUR AND TRANSPORT DEPARTMENT.**

While taking up paras of the Department, it was observed by the Committee that the working papers were provided only in the meeting despite the fact that the Department had been directed to submit the same on or before the Members. The Committee took a serious view and strictly warned the Department to be careful in future.

**Pg. 252 (manpower & Trg)**

**Un-authorized re-appropriation of Rs.23,700/- and purchase of furniture worth Rs.43,680/-**

The Committee observed with the concern that the Director, Manpower and Training, NWFP was an officer in Category-II under the Rules. As such, he could not order re-appropriation of funds by himself. He should have approached the Finance Department for the purpose. However, as the deal appears to be transparent, the officer is warned to be careful in future, and the para is recommended to be condoned.

**GTS/RTB**

**Para 2, 12, 1 Loan**

**Para 2, 13, 1 Matured loans against non-financial institutions**

**Para 2, 16, 1 Investment**

Subject to verification/reconciliation by the Audit, the paras are recommended to be dropped. However, the Committee decided to constitute a Sub-Committee of PAC to look into the affairs of GTS, make proposal/recommendations to the PAC regarding improvement in the GTS.

**Pg. 34 (Frontier Flour Milling Corporation).**

The para is recommended to be dropped with the observation that all assets and liabilities of the Corporation may be transferred to the Government and the staff, if they are employees of the Government Departments, may be re-patriated back to the parent Departments. The claims against the Corporation and the claims of Corporation against other Agencies would hence forth be handled by the Food Department.

**GEMSTONE CORPORATION**

The para is recommended to be dropped in view of the decision of the Executive Committee of National Economic Council, according to which the Corporation is to be wound up and the mines to be reverted to the Provincial Government. The Committee decided that the losses of the Corporation will be picked up by the Federal Government and the Provincial will not accept any liability. The Committee further decided that the mines may be that the mines may be auctioned by the Government through open and transparent bidding.

**SMALL INDUSTRIES DEVELOPMENT BOARD**

Para stands. The Committee observed that a good number of Centres/units were either running in loss or were idle. This was a sorry state of affair which warranted the adoption of corrective measures. The situation could not be allowed to persist like that. The Committee decided to constitute a Sub-Committee of the PAC, which will examine the affairs of SIDB and inspect various units of the organization, if need be and submit comprehensive services of DG, Audit as Co-opted Member.

### **Sarhad Development Authority**

Para stands. The PAC showed dis-satisfaction over the performance of SDA. It was observed that there was need to evaluate the performance of SDA, which over the years, had gone down. All the units, installed by the SDA were running into losses. The Committee showed deep concern when told that the Khazana Sugar Mill, which was a very viable venture, was also running in loss. The Committee observed that Finance Department should have recovered the dividend from the ventures/units, which had made profits as per equity of the Provincial Government and besides that pace of recovery of loans was not found satisfactory. The Committee decided to constitute a Sub-Committee, to examine the affairs of SDA and give its report to the PAC. Terms of reference of the Committee will be determined later.

The meeting then adjourned till 24/08/1994.

**(ABDUL AKBAR KHAN),**  
SPEAKER/CHAIRMAN,  
Public Accounts Committee

## **PROVINCIAL ASSEMBLY OF N.W.F.P.**

### **PROCEEDINGS OF THE MEETING OF PUBLIC ACCOUNTS COMMITTEE ON 24/08/1994 AT 10:00A.M AT KUND.**

I. The following were present:-

- |     |                                                                              |          |
|-----|------------------------------------------------------------------------------|----------|
| 1.  | Mr. Abdul Akbar Khan, Speaker                                                | Chairman |
| 2.  | Mr. Iqbal Hussain Khattak,<br>Provincial Minister                            | Member   |
| 3.  | Mr. Salim Saifullah Khan, MPA                                                | Member   |
| 4.  | Dr. Inayatul Haq, MPA                                                        | Member   |
| 5.  | Mr. Pir Muhammad Khan, MPA                                                   | Member   |
| 6.  | Mr. Jehangir Khan, MPA                                                       | Member   |
| 7.  | Mr. Muhammad Younis Khan,<br>Secretary to Govt: NWFP,<br>Finance Department, |          |
| 8.  | Mr. Niamatullah Abid,<br>Director-General, Audit, NWFP.                      |          |
| 9.  | Mr. Akhtar Ali<br>Chief Engineer, Irrigation Department.                     |          |
| 10. | Engr. Nawab Khan Masood,<br>Chief Engineer (Dev),<br>Irrigation Department.  |          |

II. Mr. Abdul Hameed Khattak, Secretary Provincial Assembly of N.W.F.P. acted as Secretary to the Committee.

III. The Committee took up for consideration the Report of Auditor-General of Pakistan for financial year 1989-90 in respect of Irrigation Department, N.W.F.P.

#### **DP 8 Blockade of Govt. money amounting to Rs.0.854 million.**

Para stands. The Department informed that the tubewells were completed at the time of the Audit in 1989. The Committee observed that, tubewells were completed, while the completion report was not produced before the Audit at the time of Audit. It was noted that attitude of the local office was indifferent. The Committee noted with concern that enquiry, as alleged in the reply, to be attached was not forthcoming. It was decided that in future deficient information would render the officer responsible for

it, liable for disciplinary action. It was decided to constitute a Sub-Committee to look into the matter, propose action and submit report within a month.

**DP 9**            **Un-authorized/irregular expenditure of Rs.0.529 million.**

The Committee observed that the work was tendered for Rs.1,29,000/- against an approved cost Rs.2,00,000/-, which was subsequently increased manifold, without adopting the procedure of re-tendering. This was violation of the rules.

However, in view of the contention of the Department that the demand of the dignitaries of the area necessitated extra work, which was subsequently approved by the Competent Authority, the para is recommended to be dropped.

**DP 10**            **Un-authorized expenditure of Rs.13.188 million.**

The Committee observed that the expenditure was incurred without the Technical Sanction and Administrative Approval, which was a violation of the laid down procedure and the relevant rules governing the expenditure. It was observed that in absence of technical sanction the works were tendered. However, in some cases, the sanction was obtained later. This practice, the Committee observed, was neither desirable nor covered by the rules. The Committee showed surprise that as to how in the absence of technical sanction, which embodies specification and other technical details. The work could be tendered. It was found that though in some cases the Department managed to get sanction at a later stage much after the completion of the work. This, it was noted, was not covered by the rules and in consonance with the requirements of procedure laid down by the Government. The Committee, taking a serious view of the mal practices, fragrant violation of the rules in the instant case decided that warning may be given to the officer, who in disregard of the rules tendered the work without prior technical sanction. It was further decided that in future no work would be undertaken and expenditure would be incurred on any work in absence of technical sanction except for works, which are of emergent nature as specified in the rules. The Committee desired that the Finance Department should exercise due check in according ex-post facto sanctions. It was decided that technical sanction for the projects upto DAC level will be given within one month, and for the projects within the competence of DDWP, within two months Violators will be dealt with severely.

**DP 11**            **Un-economical excess expenditure of Rs.2,64,000/- on change in specification and over payment of Rs.61,500/-.**

In view of the plausible explanation of the Department that the road ran through thickly populated area and being subject to heavy vehicular traffic, warranted the change from 1" thickness to 2" premix carpet the para is recommended to be dropped.

**DP 19**            **SHYDO (1987-88).**

In view of the plausible explanation of the Department, that the omission was inadvertent, the para is recommended to be dropped.

**DP 34**            **Irregular expenditure of Rs.1.524 million on purchase/transfer of vehicles.**

Para stands. The Committee observed that the Department did not properly assess its requirements of vehicles at the time of vehicles at the time of preparing PCI. The subsequent change in the requirement for the vehicles suggested that the demand was prepared randomly with out taking into account the actual requirement. The replacement of Suzuki/Toyota Pick up, by a Pajero, was uncalled for. The Committee found that the act of the concerned officer was deviation from the PCI, which resulted in excess expenditure without the prior approval of the Department, which had originally accorded sanction for three vehicles. The Department could not give any clue to the whereabouts of the vehicles after the close of the scheme, which further made dubious the purchase of vehicles. The Committee was of the unanimous view that the officer incharge was guilty of misuse of powers and hence decided that he may be proceeded against under the E&D Rules and amount may be recovered from him. It was also decided that the Chief Secretary may be sent a copy of the decision for further necessary action as he may deem fit.

**DP 36**            **Irregular and willful expenditure of Rs.0.526 million on P.C. Plasters.**

**DP 43**            **Irregular expenditure of Rs.0.229 million on work-charged establishment.**

In view of the plausible explanation of the Department, the paras are recommended to be dropped.

**DP 45**            **Un-authorized/mis-classified expenditure of Rs.0.160 million.**

The para is recommended to be dropped with the observation that in future such practice would not be resorted to by any Department.

**DP 46**            **Irregular expenditure of Rs.0.171 million on purchase of Suzuki Jeep.**

The representative of the Finance Department stated that developmental projects were approved by the Planning & Development and Finance Departments and the concerned Department in a joint meeting and as such separate subsequent approval of the Finance Department was not required. The para is recommended the Finance Department was not required. The para is recommended to be dropped in view of the explanation of the Department, supported by the Finance Department.

**DP 52**            **Un-authorized/Irregular payment/expenditure of Rs.2.854 million in the absence of budget allotment.**

The para is recommended to be dropped with the observation that the Department should take up the cases of recoverable amount with the Federal Government and progress be reported to the PAC.

**DP 66**            **Expenditure of Rs.6.464 million without allotment.**

Pended. The Accountant-General may be called.

**DP 68**            **Irregular and uneconomical expenditure of Rs.1.361 million under clause E-12.**

Para stands. The explanation offered by the Department was not accepted. A Sub-Committee would be constructed to look into the matter and submit its report.

**DP 69**            **Un-authorized/irregular expenditure of Rs.5.300 million in absence of Budget Allocation.**

The Department is directed to follow up the rules in letter and spirit. Deviation from the rules would attribute to disciplinary action.

**DP 71**            **Irregular expenditure of Rs.0.127 million of repair of machinery.**

The Committee found that the S.E. was not competent under the rules and hence the approval given by him was irregular. The para is recommended to be dropped with the direction that 1/3 of the expenditure could be recovered from the officer

responsible. It was reiterated that the Presentation system should be discontinued forthwith and expenditure incurred would be irregular and the officer authorizing such expenditure would be held responsible.

**DP 72**            **Irregular and un-authorized expenditure of Rs.0.282 million due to deviation of BOQ.**

The para is recommended to be dropped, in view of the plausible explanation of the Department.

**DP 73**            **Irregular expenditure of Rs.0.160 million on employment of class-IV in leave vacancies.**

Para stands. The Department would provide the list of the Bildars appointed against the leave vacancies alongwith their appointment and termination orders.

**DP 77**            **Un-authorized excess of Rs.89.704 million over PCI cost and non-execution of works for Rs.44.956 million.**

Para stands. A Sub-Committee will be constituted to thrash out the issue of re-modeling, identify irregularities committed and make suggestions for the improvement of the system and fix responsibility.

IV.                The meeting then adjourned till 25/0/1994.

(**ABDUL AKBAR KHAN**),  
SPEAKER/CHAIRMAN,

## **GENERAL.**

The Committee observed with concern that the quality of working papers was poor. Certain working papers were not legible. The Chairman directed that directives may be issued to the Departments that the working papers, to be presented to the PAC, should be in proper format and clearly legible and PAC would not tolerate the repetition in future. The Administrative Secretary should personally ensure that the working papers are legible and n presentable form. The Committee further observed with concern that the Department do not take the Audit Paras very seriously. In majority cases the relevant supporting record/documents were not produced at the time of Audit. The record was produced when the para was converted into Draft para. The production of record at the time of Audit, would avert the conversion of Advance para into draft para, thereby saving the precious time of PAC. Replies to the observations of the Audit, in majority cases, were incomplete, sketchy and unreliable. Not only this, the Committee noted that the officers of the Department were not adequately prepared to answer the queries of the Members. The Committee observed that in future the Committee would not tolerate this sort of practice. The Committee also observed that the quality of the Audit was not upto mark. Report should focus on gross misappropriation and deliberate violation of the financial rules. It was noted that certain paras as a consequence of “Follow up action” of the decision the DAC, would have dropped and not incorporated as Draft paras in the report. It was emphasized that the Audit should endeavour to improve the quality of the report and necessary follow up action improve the quality of the report and necessary follow up action in light of the decision of the PAC.

## **GENERAL. LETTER TO A.G.**

It has been noticed by the PAC that amount allocated to the Department for different heads, but excess expenditure are made in various cases. The PAC took a serious view and observed that Divisional Accountants are responsible for the same. All the D.As. are directed that in future excess expenditure should not be incurred. If it is found that excess expenditure has been made the D.As. will be held equally responsible.

It has been noticed by the PAC that excess expenditure is made in various cases charged to head “Misc P.W. Advances”, which was neither desirable nor

appropriate. It was noted that the Divisional Accountants were equally responsible for the omission of not bringing the violation by recording their opinion in accordance of the Financial rules. It was decided that the Accountant-General would direct all the D.As. that in future if it is found that excess is incurred without they have recorded their opinion in terms of rules 12 of the Financial Rules, will be held responsible alongwith the Division Officers, the para is recommended to be dropped with the above observations.

THE AUDIT CHECK THOROUGHLY ALL THE PARAS OF RE-MODELING DIVISION, MARDAN.

## PROVINCIAL ASSEMBLY OF N.W.F.P.

### PROCEEDINGS OF THE MEETING OF PUBLIC ACCOUNTS COMMITTEE ON 25/08/1994 AT 10:00A.M AT KUND.

I. The following were present:-

- |     |                                                                                                                                        |          |
|-----|----------------------------------------------------------------------------------------------------------------------------------------|----------|
| 1.  | Mr. Abdul Akbar Khan, Speaker                                                                                                          | Chairman |
| 2.  | Mr. Iftikhar Khan Mohmand,<br>Minister for Finance                                                                                     | Member   |
| 3.  | Syed Allauddin, Dy Speaker                                                                                                             | Member   |
| 4.  | Dr. Inayatul Haq, MPA                                                                                                                  | Member   |
| 5.  | Mr. Pir Muhammad Khan, MPA                                                                                                             | Member   |
| 6.  | Mr. Jehangir Khan, MPA                                                                                                                 | Member   |
| 7.  | Mr. Salim Saifullah Khan, MPA                                                                                                          | Member   |
| 8.  | Mr. Ghani Muhammad Khan, MPA                                                                                                           | Member   |
| 9.  | Mr. Javed Alam Khanzada,<br>Secretary to Govt: NWFP,<br>Irrigation Department,                                                         |          |
| 10. | Mr. Niamatullah Abid,<br>Director-General, Audit, NWFP.                                                                                |          |
| 11. | Qazi Hifzur Rehman,<br>Additional Secretary,<br>Finance Department,<br>representative of Secretary to<br>Govt. of NWFP, Finance Deptt. |          |
| 12. | Mr. Farooq Akhtar,<br>Deputy Accountant-General, NWFP.                                                                                 |          |

II. Mr. Abdul Hameed Khattak, Secretary Provincial Assembly of N.W.F.P. acted as Secretary to the Committee.

III. The Committee took up for consideration the Report of Auditor-General of Pakistan for financial year 1989-90 in respect of Irrigation Department, N.W.F.P.

#### **DP 70**      **Irregular and un-economical award of works for Rs.13.743 million on defective B.O.Q.**

30 works of re-modeling were carried out by the Department without rate analysis and as such there was no bench mark, which provided an opportunity to the Contactors to quote rates of their choice. The Department replied that since the schedule

of rate was not revised by the Finance Department and, therefore, the Department had no choice but to call quotation at the item rate. The Committee decided that the item rate should be done away with. It was further decided that the Finance Department in consultation with the concerned Departments should finalize the schedule and till such time the interim schedule will be applicable. However, if there is no provision of item in the interim schedule the Department would be at liberty to invite quotation at item rate. The para is recommended to be dropped.

**DP 78**            **Un-economical award fo works worth million of rupees.**

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

**DP 5**            **Over-payment of Rs.3,32,293/- due to allowing incorrect higher rates.**

Para stands. The entire amount would be recovered, paid in excess to the Contractor from the officer concerned.

The Committee observed that the recovery by the Department was a sort of admission on the part of the Department the payment was wrongfully made. Further, the Committee, was of the view, that the recovery did not exonerate the officer incharge from disciplinary action against him. It was decided that Department should initiate disciplinary action.

**DP 24**            **Over-payment of Rs.27,973/-.**

Since the recovery has been made, the para is recommended to be dropped.

**DP 32**            **Irregular payment of Rs.1.494 million on account of land compensation.**

The para is recommended to be dropped, subject to verification by Audit. The Committee, however, observed that payment was charged to the Suspense Advance Head. Without Budgetary provision, which was irregularity and financial indiscipline. It was decided that in future this practice should be avoided and no expenditure without budgetary provision should be incurred.

**DP 42**            **Over-payment of Rs.1,41,275/- due to excess consumption of GI Wire.**

It was noted that the total quantity of GI Wire used was in excess of the estimate/formula. The Department could not justify the excess consumption of the GI Wire. The para is recommended to be dropped subject to the recovery of excess payment on account of GI Wire, from the officer concerned.

**DP 59**            **Doubtful payment of Rs.2 lacs to Secretary, Officer Club.**

The explanation of the Department was found tenable and the para is recommended to be dropped.

**DP 62**            **Over-payment of Rs.53.480 million to Contractors.**

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

**DP 166**           **Over-payment of Rs.27,107/- due to allowing incorrect rate.**

The Committee observed that head “unforeseen” was not desirable but arises which justified the provision under the head, but its perpetuation provided license to the Department, which could be misused. In the instant case, a lump sum of Rs.3,000/- was provided but expenditure of Rs.96,000/- was incurred. The para is recommended to be dropped, subject to verification of revised analysis of rate by the Audit.

**DP 4**            **Loss of Rs.95,000/- due to acceptance of high rates.**

Para stands. The Committee observed that major expenditure of Rs.10,00,000/- was incurred on the highest quoted items. Secondly the rate for the same item was not compatible with the rate in other works. It was noted that the tender was questionable. The Committee decided to refer the para to the Sub-Committee, to be constituted by Mr. Speaker. The Committee would submit its report within one month.

**DP 26**            **Suspected loss of Rs.0.152 million due to non-auction of old surplus tubewell material.**

The para is recommended to be dropped subject to verification by Audit.

**DP 44**            **Loss of Rs.0.128 million due to Sub-standard work.**

**DP 55**            **Loss of Rs.0.015 million due to un-economical rate of carriage.**

The explanation of the Department was plausible, the paras are recommended to be dropped.

**DP 56**            **Loss of Rs.84,148/- due to unauthorized change in the specification and deviation from B.O.Q.**

The Committee observed that the work was executed first and the sanction was accorded later on. Originally 30 items were included in the estimate but subsequently 9 items were taken up. It was noted that the estimate was not paid serious consideration at the time of preparation. It was an example of poor planning. The Committee observed that it was a gross irregularity. The PAC took a serious view and directed that a warning be given to the officer, which may be placed on his ACRs. The Committee decided to drop the para with the above observation.

**DP 61**            **Loss of Rs.1.953 million due to non-preparation of manufacturing accounts.**

The para is recommended to be dropped. The Committee decided that the FD alongwith the concerned Department should sort out the issue and make recommendations to the PAC.

**DP 6**            **Misuse of cheque drawing authority.**

The para is recommended to be dropped.

**DP 33**            **Suspected re-appropriation of Rs.0.298 million on account of cement.**

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

**DP 35**            **Shortage of store worth Rs.21,000/-**

The para is recommended to be dropped.

**DP 38**            **Long outstanding Govt. dues amounting to Rs.3.793 million against various persons.**

**DP 54**            **Long outstanding amount of Rs.0.394 million lying in PW Deposit.**

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

**DP 58**            **Long outstanding accommodation provided to Dy: Commissioner.**

As per decision of the DAC, the needful was done, hence the para is recommended to be dropped.

**DP 75**            **Free furnishing accommodation provided to Dy: Commissioner.**

The para is recommended to be dropped. It was decided that House rent if claimed, while living in the Rest House, may be recovered from the DCs.

**DP 64**            **undue delay in completion of work and non-imposition of penalty.**

Para stands. A Sub-Committee consisting of Mr. Chani Muhammad Khan and Mr. Jehangir Khan and Chief Engineer is constituted, which would visit the site and report whether the objectives for which work was approved had been achieved or not.

**DP 25**            **Irregular and unauthorized generation of funds for Rs.1,20,650/-.**

The para is recommended to be dropped.

**DP 74**            **Irregular change in specification for Rs.0.748 million.**

Para stands. The Committee noted that hence gross irregularities/malpractices were involved which warranted in depth investigation. It was decided to refer it to the Audit Committee to carry out special audit of the entire Remodeling Mardan and submit its report within two months.

**DP 167**           **Un-authorized excess on over B.O.Q for Rs.65,687/-.**

The para is recommended to be dropped.

**DP 245**           **Delay in disposal of pension cases by Department.**

**DP 246**           **Delay in disposal of final payment of GP Fund by the Department.**

The paras are recommended to be dropped as per General Instructions.

IV.                The meeting then adjourned till 28/08/1994.

(ABDUL AKBAR KHAN),  
SPEAKER/CHAIRMAN,

## **PROVINCIAL ASSEMBLY OF N.W.F.P.**

### **PROCEEDINGS OF THE MEETING OF PUBLIC ACCOUNTS COMMITTEE HELD ON 28/08/1994 AT 10:00 AM IN THE PROVINCIAL ASSEMBLY CONFERENCE ROOM, PESHAWAR.**

I. The following were present:-

- |     |                                                                                                                  |                      |
|-----|------------------------------------------------------------------------------------------------------------------|----------------------|
| 1.  | Mr. Abdul Akbar Khan, Speaker                                                                                    | Chairman             |
| 2.  | Mr. Iftikhar Khan Mohmand,<br>Minister for Finance                                                               | Member<br>Ex-Officio |
| 3.  | Syed Allauddin, Dy Speaker                                                                                       | Member               |
| 4.  | Mr. Iqbal Hussain Khattak,<br>Provincial Minister                                                                | Member               |
| 5.  | Dr. Inayatul Haq, MPA                                                                                            | Member               |
| 6.  | Mr. Pir Muhammad Khan, MPA                                                                                       | Member               |
| 7.  | Mr. Ghani Muhammad Khan, MPA                                                                                     | Member               |
| 8.  | Mr. Jehangir Khan, MPA                                                                                           | Member               |
| 9.  | Mr. Bakht Baidar Khan, MPA                                                                                       | Member               |
| 10. | Mr. Abdul Hamid Khan,<br>Secretary to Govt: NWFP,<br>Communication & Works Department,                           |                      |
| 11. | Mr. Niamatullah Abid,<br>Director-General, Audit, NWFP.                                                          |                      |
| 12. | Mr. Ziaur Rehman,<br>Addl. Finance Secretary,<br>representative of Secretary to<br>Govt. of NWFP, Finance Deptt. |                      |
| 12. | Mr. Farooq Akhtar,<br>Deputy Accountant-General, NWFP.                                                           |                      |

II. Mr. Abdul Hameed Khattak, Secretary Provincial Assembly of N.W.F.P. acted as Secretary to the Committee.

III. The Committee took up for consideration the Report of Auditor-General of Pakistan for financial year 1989-90 in respect of Communication & Works Department.

The Chairman welcomed the participants to the meeting. He re-iterated the statement that the Committee was not biased. It examined the Report without fear and

favour. The Chairman desired to know about the implementation of the decision taken in the last meetings of PAC. The Secretary C&W was directed to brief the PAC on this on any day, during the meeting of PAC.

**DP 28**            **Mis-appropriation of Rs.12,000/- received as cost of tender forms.**

Since the certificate had been obtained, the para is recommended to be dropped. However, the PAC directed that reconciliation may be carried out regularly.

**DP 47**            **MIs-appropriation of stores worth Rs.56,000/- due to negligence.**

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

**DP 82**            **Non-accountal of store costing Rs.74,000/-.**

The material was issued direct to the work, whereas it should have been issued through the Contractor. It was told by the Department that the scheme for which the stores were issued was dropped in ADP in the next year 1989-90 and the material so issued was written back. Since there was no loss, the para is recommended to be dropped.

**DP 78**            **Non-accountal of indent of store worth Rs.34,886/-.**

The Committee, had already taken serious view while discussing similar draft paras of the Irrigation Department, again observed that the Divisional Accountants were equally responsible, it irregularities were made without their note of dissent/opinion. In case they are over-ruled then responsibility would rest on the Divisional Officers and they would be held responsible. The Committee decided that the decisions of the DAC may invariably be incorporated in working papers which are to be placed before the Public Accounts Committee. The Department replied that since recovery had been effected, the para, therefore, needed to be dropped. The Committee, however, was of the view that it needed verification.

Para stands subject to verification of record by Audit and the position would be placed before PAC on the last day by the Audit.

**DP 85**            **Suspected mis-appropriation of bricks worth Rs.81,000/-.**

The Committee observed that the auction money instead of depositing in the Treasury under the rules was spent on other works i.e. renovation and purchase of other items etc, which was violation of the financial rules. It was further observed that the money could not be spent on the works listed in the reply. It was a flagrant violation of the rules and rendered the officer liable for action against him. It was established that the irregularity had been committed which called for disciplinary action. The Committee reiterated that in future if such irregularity is committed the officer concerned would be held personally responsible. The para is recommended to be dropped.

**DP 103**            **Mis-appropriation of C.G.I. sheets worth Rs.1,40,875/-.**

Para stands. The Committee was convinced that the Storekeeper was guilty of mis-appropriation and decided that the money may be recovered from him as arrear of land revenue, besides necessary action against him under the E&D rules. It was further decided that the E&D Rules, if deficient, so far the recovery, was concerned, may be revised to include special section in this regard.

**DP 105**            **Mis-appropriation of stores of Rs.0.762 million accounting for forced indents.**

Para stands. A Sub-Committee is constituted to look into the total 616 tons of bitumen allegedly issued fictitiously and submit its report to the PAC.

**DP 2**                **irregular and unauthorized payments to Contractor.**

The issue of engagements of Consultants was discussed at length. It was noted with concern that in the selection of Consultants due care was not taken. The agreement with the Consultants tended to favour the Consultant. It was brought to the notice of the Committee that in the selection of Consultants the Selection Committee was under compulsions from various forces visible and invisible. In the instant case, it was found that the Consultants prepared design without visiting the site. The Committee found that the system was faulty and called for thorough examination. It was, therefore, decided to constitute a Sub-Committee, to be announced by Mr. Speaker including Secretary C&W, to examine the procedure for the engagement of Consultants for all Departments in depth and submit its report to the PAC.

IV. The meeting then adjourned till 29/08/1994.

**(ABDUL AKBAR KHAN),  
SPEAKER/CHAIRMAN,**

## PROVINCIAL ASSEMBLY OF N.W.F.P.

### PROCEEDINGS OF THE MEETING OF PUBLIC ACCOUNTS COMMITTEE HELD ON 29/08/1994 AT 10:00 AM IN THE CONFERENCE ROOM OF PROVINCIAL ASSEMBLY SECRETARIAT, PESHAWAR.

I. The following were present:-

- |     |                                                                                                                  |          |
|-----|------------------------------------------------------------------------------------------------------------------|----------|
| 1.  | Mr. Abdul Akbar Khan, Speaker                                                                                    | Chairman |
| 2.  | Syed Allauddin, Dy Speaker                                                                                       | Member   |
| 3.  | Mr. Iqbal Hussain Khattak,<br>Provincial Minister                                                                | Member   |
| 4.  | Dr. Inayatul Haq, MPA                                                                                            | Member   |
| 5.  | Mr. Pir Muhammad Khan, MPA                                                                                       | Member   |
| 6.  | Mr. Jehangir Khan, MPA                                                                                           | Member   |
| 7.  | Mr. Ghani Muhammad Khan, MPA                                                                                     | Member   |
| 8.  | Mr. Bakht Baidar Khan, MPA                                                                                       | Member   |
| 9.  | Mr. Abdul Hamid Khan,<br>Secretary to Govt: NWFP,<br>Communication & Works Department,                           |          |
| 10. | Mr. Niamatullah Abid,<br>Director-General, Audit, NWFP.                                                          |          |
| 11. | Mr. Ziaur Rehman,<br>Addl. Finance Secretary,<br>representative of Secretary to<br>Govt. of NWFP, Finance Deptt. |          |
| 12. | Mr. Farooq Akhtar,<br>Deputy Accountant-General, NWFP.                                                           |          |

II. Mr. Abdul Hameed Khattak, Secretary Provincial Assembly of N.W.F.P. acted as Secretary to the Committee.

III. The Committee took up for consideration the remaining Report of Auditor-General of Pakistan for financial year 1989-90 in respect of Communication & Works Department.

**DP 7**                    **Over payment of Rs.0.210 million to Cherat Cement Factory.**

Para stands. The Department argued that the funds were available and the Department, was authorized to make purchase from any factory. to a query as to why it was not purchased from Kohat whose rate was comparatively less, it was replied that the factory was being renovated its remodeling was underway. Had an order been placed, it might have been able to honour the order. Hence the comparison of the rate of the two factories was, therefore, the Department emphasized. As regards, advance payment, the Committee was informed that that it was authorized by the competent authority i.e. Secretary. It was clarified that though no formal contract agreement was signed with the Factory, a demand bill in duplicate was presented by the Factory for acceptance, a copy, after having been accepted was returned and the second copy was retained which in a way amounted to an agreement between the parties. However, the Committee did not accept the plea for making of advance payment, as the delegation of Financial and re-appropriation Powers did not authorize such payment. The Committee was of the view that no Department, suo motu, arrogate financial powers to itself. The powers not specifically delegated were vested with the Finance Department without its approval, no advance could be made. It was decided that matters required further deliberation in light of the rules and final opinion of the Finance Department.

**DP 18**                    **Over payment of Rs.17,000/-.**

In view of the recovery effected and verified, the para is recommended to be dropped.

**DP 36**                    **Over payment of Rs.35,000/- to Contractor.**

It was stated that variation in specification ranging from 10-20%, in regard to use of Bitumen was permissible. The explanation of the Department was found plausible and the para is recommended to be dropped.

**DP 45**                    **Irregular payment of rs.0.061 million on of running chares of the vehicle of the Circle officer.**

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

**DP 50**            **Irregular payment of Rs.41,000/- on account of T.T.C, charges.**

It was observed that specific budgetary provision was made in the Budget. The charging of expenditure to the work was violation of the rules. The para is recommended to be dropped with the observation that the expenditure should remain within the Budgetary allocation.

**DP 51**            **Over payment of Rs.35,987/- due to deviation from the sanctioned estimates.**

The para is recommended to be dropped, subject to the stipulation/condition that the recovery will be effected within three months. It was also decided that responsibility may be fixed for the irregularity and progress be reported to the PAC.

**DP 63**            **Excess payment of Rs.60,000/- due to un-necessary/doubtful rich mortar.**

Para stands. The money was credited in the Treasury, transfer entry would be verified by the Audit, the factual position would be reported to the PAC. Further comments may be seen in the minutes of 30/08/1994.

**DP 64**            **Over-payment of Rs.96,800/- to carriage Contractor.**

Since the recovery has been made, the Committee recommended to drop the para.

**DP 67**            **Over-payment of Rs.82,000/-**

Recovery of the required amount had been made and the para is recommended to be dropped.

**DP 68**            **Over-payment of Rs.67,000/- and irregular award of work worth Rs.0.627 million.**

Since ex-post facto sanction to a change form 1% pre-mix to 30 MM thick pre-mix at the rate of Rs.62/- under Clause-12 of the Contract agreement was accorded, the para is recommended to be dropped.

**DP 79**            **Un-authorized payment of Rs.30 million from the Maintenance grant of C&W Department to PDA.**

Since the money was transferred under the orders of the Finance Department as per Budget passed by the Assembly, therefore, no irregularity was committed, the para is recommended to be dropped.

**DP 95**            **un-authorized payment of residential telephone Rs.16,000/-.**

The para is recommended to be dropped with the observation that the recovery would be made within three months.

**DP 120**          **Overpayment of Rs.20,871/-.**

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

**DP 507**          **Overpayment of Rs.66,000/-to Contractor.**

The para, having been settled at the DAC level, should not have been incorporated in the Audit Report and placed before the PAC.

**DP 845**          **Un-authorized payment of Rs.0.310 million.**

The para was settled at the DAC level. The Department contended that the payment was made to the Contractor in pursuance of the Contract agreement. The para should not have been incorporated in the Audit Report.

**DP 863**          **Irregular award for work excess/over estimated cost of Rs.0.4710 million over payment of Rs.0.104 million.**

The Committee held that in the instant case Clause-12 has been misused, which only empowers the addition/alteration in the specification, but not provides for new work. It was observed that new work of different nomenclature required to be disposed of in pursuance of the relevant rules; The para is recommended to be dropped with the observations that in future clause-12 be used sparingly and for new work with different nomenclature, the relevant rules may be followed in letter and spirit.

**DP 126**      **Overpayment of Rs.0.046 million to Contractor due to split up of the complete item of work.**

In view of the plausible explanation of the Department, the para is recommended to be dropped, with the observation that the para should have been examined/thrashed out at the DAC. It was decided that in future the Audit Report should not incorporate audit paras without first having been processed at the DAC level.

IV.              The meeting then adjourned till 30/08/1994.

**(ABDUL AKBAR KHAN),**  
**SPEAKER/CHAIRMAN,**

## PROVINCIAL ASSEMBLY OF N.W.F.P.

### PROCEEDINGS OF THE MEETING OF PUBLIC ACCOUNTS COMMITTEE HELD ON 30<sup>th</sup> AUGUST, 1994 AT 10:00 AM IN THE CONFERENCE ROOM OF PROVINCIAL ASSEMBLY SECRETARIAT, PESHAWAR.

I. The following were present:-

- |     |                                                                                                                  |          |
|-----|------------------------------------------------------------------------------------------------------------------|----------|
| 1.  | Mr. Abdul Akbar Khan, Speaker                                                                                    | Chairman |
| 2.  | Syed Allauddin, Dy Speaker                                                                                       | Member   |
| 3.  | Mr. Iqbal Hussain Khattak,<br>Provincial Minister                                                                | Member   |
| 4.  | Dr. Inayatul Haq, MPA                                                                                            | Member   |
| 5.  | Mr. Jehangir Khan, MPA                                                                                           | Member   |
| 6.  | Mr. Ghani Muhammad Khan, MPA                                                                                     | Member   |
| 7.  | Mr. Pir Muhammad Khan, MPA                                                                                       | Member   |
| 8.  | Mr. Bakht Baidar Khan, MPA                                                                                       | Member   |
| 9.  | Mr. Abdul Hamid Khan,<br>Secretary to Govt: NWFP,<br>Communication & Works Department,                           |          |
| 10. | Mr. Niamatullah Abid,<br>Director-General, Audit, NWFP.                                                          |          |
| 11. | Mr. Ziaur Rehman,<br>Addl. Finance Secretary,<br>representative of Secretary to<br>Govt. of NWFP, Finance Deptt. |          |
| 12. | Mr. Farooq Akhtar,<br>Deputy Accountant-General, NWFP.                                                           |          |

II. Mr. Abdul Hameed Khattak, Secretary Provincial Assembly of N.W.F.P. acted as Secretary to the Committee.

III. The Committee took up for consideration the Report of Auditor-General of Pakistan for financial year 1989-90 in respect of Communication & Works Department.

DP 63 Already discussed on 29/08/1994.

i) The PAC observed that the recovery was effected from the Contractor and the amount was credited in Misc Receipt. Subsequently through another entry the amount

was debited to the accounts of the Contractor for which proper financial procedure was not adopted. The Department, under the rules, should have made the payment after presenting pre-audit bill.

ii) It was noted that the recovery was wrongfully made in disregard of the decision of the DAC, which stipulated recovery from the officer concerned.

iii) The Committee observed that the reply of the Department was different from what had been given to the DAC, which made the issue confusing and incomprehensible. The Committee noted that there was discrepancy.

iv) The Committee observed that by omitting the decision of the DAC, in the working paper was a deliberate act of misleading and as such rendered the officers concerned liable for disciplinary action. The Divisional officer and the Divisional officer and the Accounts, who prepared the working paper were found to be responsible for this willful act.

v) The Committee was of the view that the non-compliance of the decision of the DAC was a matter of concern. The officer concerned recovered the money from the Contractor while as per decision it was to be recovered from the officer. The Committee took a serious notice of it. The Committee the direction that necessary action under E&D may be taken against the officer for violating the decision of DAC. The report would be submitted within three months.

**DP 3**            **Avoidable expenditure of Rs.71,000/- due to un-authorized change in specification.**

The Department contended that the change was in the interest of the work, duly authorized under clause-12 of the Contract Agreement. The Committee accepted the view point. Additionally, the Department informed that in the revised PCI the rate was approved. However, the Department could not produce the original letter whereby the rate was approved. The para is recommended to be dropped, subject to production of original letter and its verification by the Audit.

**DP 17**            **Wasteful expenditure of Rs.3,50,000/- and loss of Rs.57,329/- due to higher rates.**

The Committee made the following queries:-

1. How against the original demand of 157 ft, 457 w2as purchased?
2. How payment for fixing was made when the scheme was dropped?
3. How analysis of Rate on Rs.150/- per RFT for change to Rs.290/- per RFT arrived at?

The Department replied that the non-availability of the steel rope of 1" dia necessitated the change in specification. The plea was not granted by the Committee. The Committee, however, observed that payment to the Contractor was made at the rate of Rs.216/- per RFT whereas prorata it worked out at Rs.186/- and thus over payment of Rs.28,000/- was made. The para is re-referred to the DAC for examination.

**DP 21**            **Defective tender system/award of Tenders/Irregular expenditure of Rs.3,23,000/-.**

The DAC should be held in September and the paras be referred to DAC and the decision be brought before the PAC. The para is recommended to be dropped as the responsible officer has died but the Department is warned that in future they should restrain from such overpayments.

**DP 27**            **Irregular/unjustified expenditure of Rs.0.352 million on Rest Houses.**

The para is recommended to be dropped. However, the Department was directed to ensure that the house rent is deducted from the occupants.

**DP 61**            **Irregular/un-authorized expenditure of Rs.0.066 million.**

The para is recommended to be dropped. However, the Department should be careful in future and the funds should be incurred on the objects for which these are provided.

**DP 62**            **Un-authorized expenditure of Rs.55,080/- on issue of Diesel Generators to residences.**

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

IV.                The meeting then adjourned till 31/08/1994.

**(ABDUL AKBAR KHAN),  
SPEAKER/CHAIRMAN,**

## PROVINCIAL ASSEMBLY OF N.W.F.P.

### PROCEEDINGS OF THE MEETING OF PUBLIC ACCOUNTS COMMITTEE HELD ON 31<sup>st</sup> AUGUST, 1994 AT 10:00 AM IN THE CONFERENCE ROOM OF PROVINCIAL ASSEMBLY SECRETARIAT, PESHAWAR.

I. The following were present:-

- |     |                                                                                                                                        |          |
|-----|----------------------------------------------------------------------------------------------------------------------------------------|----------|
| 1.  | Mr. Abdul Akbar Khan, Speaker                                                                                                          | Chairman |
| 2.  | Mr. Salim Saifullah                                                                                                                    | Member   |
| 3.  | Mr. Ghani Muhammad Khan,MPA                                                                                                            | Member   |
| 4.  | Mr. Jehangir Khan, MPA                                                                                                                 | Member   |
| 5.  | Mr. Pir Muhammad Khan, MPA                                                                                                             | Member   |
| 6.  | Dr. Inayatul Haq, MPA                                                                                                                  | Member   |
| 7.  | Major Attaullah Khan,<br>Additional Secretary to Govt: NWFP,<br>Communication & Works Department,<br>Representative of Secretary, C&W. |          |
| 8.  | Mr. Niamatullah Abid,<br>Director-General, Audit, NWFP.                                                                                |          |
| 9.  | Mr. Ziaur Rehman,<br>Additional Secretary. Finance Deptt:<br>Representative of Secretary Finance.                                      |          |
| 10. | Mr. Farooq Akhtar,<br>Deputy Accountant-General, NWFP.                                                                                 |          |

II. Mr. Abdul Hameed Khattak, Secretary Provincial Assembly of N.W.F.P. acted as Secretary to the Committee.

III. The Committee took up for consideration the Report of Auditor-General of Pakistan for financial year 1989-90 in respect of Communication & Works Department.

**DP 66**            **Wasteful/doubtful expenditure of Rs.0.918 million on the purchase of sing boards.**

Since the decision of the DAC that warning may be given to responsible offices had been implemented, the para is recommended to be dropped.

**DP 69**            **Irregular expenditure of Rs.1.723 million on purchase of timber.**

In view of action taken against for advance payment and subsequent supply of the timber, the para is recommended to be dropped.

**DP 72**            **Irregular expenditure of Rs.2.731 million.**

**DP 76**            **Un-authorized expenditure of Rs.15.211 million under suspense head of account.**

**DP 81**            **Un-authorized expenditure of Rs.0.080 million.**

The Committee observed that initially 31 items were awarded to a contractor as estimated at a cost of Rs.1.827 million, but only 13 items were executed at a cost of Rs.2.354 million. The Committee noted the 13 items of the lowest rate were included in BOQ unnecessarily as in the new order for 45 additional items, these were excluded, established that the BOQ was not based on the real requirements.

Since the paras were still to be decided by the DAC and were inadvertently reflected in the Audit Report, the Committee decided to refer them back to the DAC. It was also observed that since the meetings were not held regularly. It was decided that the meetings of DAC, may be held at regular intervals and only those paras which could be settled may be brought before the PAC.

**DP 84**            **Un-authorized excess expenditure of Rs.0.237 million over and above amount.**

The Committee observed that irregularity was committed but it was necessary in the interest of the work. The para is recommended to be dropped with the observation that excess expenditure incurred may be adjusted through a new scheme.

**DP 86**            **Un-authorized expenditure of Rs.11,000/- on residential telephone.**

It was reported that the recovery had been made, the para is recommended to be dropped, subject to verification by the Audit.

**DP 91**            **Irregular and un-economical expenditure of Rs.0.811 million to the construction of an Inspection Hut.**

The scheme was revised and it was alleged that codal formalities were adopted. In view of the above explanation the para is recommended to be dropped subject to verification by the Audit that codal formalities were adopted.

**DP 94**            **Unauthorized and wasteful expenditure of Rs.1.254 million.**

Signboards were purchased in excess than envisaged in BOQ. Further, those signboards were not fixed but transferred to the store. Subsequently 1173 new signboards of new specifications were processed.

Due to plausible explanation of the Department, the para is recommended to be dropped.

**DP 100**            **Irregular expenditure of Rs.4.209 million.**

The Department has accepted the lowest quotation and hence no violation, the para is recommended to be dropped.

**DP 104**            **Irregular expenditure of Rs.0.205 million purchase of expenditure.**

The para is recommended to be dropped. However, the Department should be careful in future.

**DP 109**            **Irregular expenditure of Rs.10.406 million on carriage of Bitumen.**

The concerned officer has retired, hence the para is recommended to be dropped.

**DP 111**            **Irregular expenditure of Rs.0.928 million and wasteful expenditure of Rs.0.577 million on reclamation of 1.2 kanals of land.**

After detailed discussion, the Committee directed that Audit office and the Department concerned to carry joint inspection of the site and submit its report in the next meeting of the Public Accounts Committee.

**DP 857**            **Avoidable expenditure of Rs.4,25,000/- due to defective planning.**

Due to plausible explanation of the Department the para is recommended to be dropped. However, Department is directed to restrict the work under clause-12 to 10 percent.

**DP 5**            **Loss of Rs.1,86,000/- due to recovery of cost of steel at lesser/incorrect rates.**

**DP 11**            **Loss of Rs.71,000/-due to defective contract agreement.**

**DP 37**            **Loss of Rs.60,835/- due to allowing higher rates.**

Due to plausible explanation of the Department the paras are recommended to be dropped.

**DP 41**            **Loss of Rs.0.058 million due to delayed accountal of store indents.**

The para is recommended to be dropped subject to verification by Audit that the outstanding amount is recovered.

**DP 49**            **Loss of Rs.0.101 million.**

**DP 60**            **Loss of Rs.0.058 million due to irregular award of work at higher rates.**

Paras stand. The balance amount may be recovered within three months from the Contractor.

**DP 70**            **Loss of Rs.0.146 million due to manipulation in tender documents.**

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

**DP 89**            **Loss of Rs.3.924 million to Government due to allocation of Bitumen quota in excess of actual requirement.**

Para stands. The amount of Rs.1,89,000/- may be recovered from the concerned officers/officials within three months.

**DP 96**            **Loss of Rs.70,050/- due to acceptance of higher rates.**

As the executive Engineer concerned has died, the para is recommended to be dropped.

**DP 99**            **Loss of Rs.0.085 million due to change in specification and incorrect rate.**

Due to plausible explanation of the Department, the para is recommended to be dropped.

**DP 101**      **Loss of Rs.51,353/- due to acceptance of higher rates on un-realistic B.O.Q.**

The Department accepted the lowest quotation and hence no violation involved, the para is recommended to be dropped.

**DP 122**      **Loss of Rs.5,95,000/-**

The para is recommended to be dropped.

IV.            The meeting then adjourned till 01/09/1994.

**(ABDUL AKBAR KHAN),  
SPEAKER/CHAIRMAN,**

## PROVINCIAL ASSEMBLY OF N.W.F.P.

### PROCEEDINGS OF THE MEETING OF PUBLIC ACCOUNTS COMMITTEE HELD ON 1<sup>st</sup> SEPTEMBER, 1994 AT 10:00 AM IN THE CONFERENCE ROOM OF PROVINCIAL ASSEMBLY SECRETARIAT, PESHAWAR.

I. The following were present:-

- |     |                                                                                                                                        |          |
|-----|----------------------------------------------------------------------------------------------------------------------------------------|----------|
| 1.  | Mr. Abdul Akbar Khan, Speaker                                                                                                          | Chairman |
| 2.  | Syed Allauddin, Dy. Speaker                                                                                                            | Member   |
| 3.  | Mr. Iqbal Hussain Khattak,<br>Provincial Minister.                                                                                     | Member   |
| 4.  | Dr. Inayatul Haq, MPA                                                                                                                  | Member   |
| 5.  | Mr. Ghani Muhammad Khan,MPA                                                                                                            | Member   |
| 6.  | Mr. Jehangir Khan, MPA                                                                                                                 | Member   |
| 7.  | Mr. Pir Muhammad Khan, MPA                                                                                                             | Member   |
| 8.  | Major Attaullah Khan,<br>Additional Secretary to Govt: NWFP,<br>Communication & Works Department,<br>Representative of Secretary, C&W. |          |
| 9.  | Mr. Niamatullah Abid,<br>Director-General, Audit, NWFP.                                                                                |          |
| 10. | Mr. Ziaur Rehman,<br>Additional Secretary. Finance Deptt:<br>Representative of Secretary Finance.                                      |          |
| 11. | Mr. Farooq Akhtar,<br>Deputy Accountant-General, NWFP.                                                                                 |          |

II. Mr. Abdul Hameed Khattak, Secretary Provincial Assembly of N.W.F.P. acted as Secretary to the Committee.

III. The Committee took up for consideration the Report of Auditor-General of Pakistan for financial year 1989-90 in respect of Communication & Works Department.

#### **DP 860      Loss of Rs.1,12,000/- due to higher rates.**

Para stands. The DAC established that the Government had sustained a loss and had decided that amount equal to the loss may be recovered from the officer responsible for the loss. Accordingly, an enquiry officer was instituted. The enquiry was

conducted which held the officer responsible. On review petition of the accused officer, another enquiry was conducted which exonerated the officer. In light of the findings of second enquiry, the Department contended that no loss had occurred. Since the findings of the two enquiries were in conflict, it was, therefore, decided that another enquiry associating the Audit, may be conducted and finding reported to the PAC.

**DP 867**      **Loss of Rs.8,75,000/- due to bad consulting.**

It was observed that the Consultant made drastic omissions. First, in the PCI provision for Cricket ground and drainage system existed, which was omitted in the detailed drawings. Subsequently, when 14 pillars were erected omission was realized and fresh provision for the deficiencies had to be made, which resulted in demolition of the pillars, thus resulting in a loss to the Government partially due to negligence of the Department and had planning by the Consultants in disregard of the original PCI. The Department, however, argued that the Cricket ground was not provided for in the PCI and it was added in pursuance of a decision of the Sports Board. With regard to drainage system, it was contended that during the progress of work it was felt that there was no outlet for water, which could cause damage to the structure, so earth filling was done. The para is recommended to be dropped with the decision that the consultant should not be given any further consultancy and recovery, if he has any outstanding, be made and adjusted.

**DP 870**      **Anticipated loss of Rs.1.733 million due to unnecessary piling of Stores.**

The Department contended that the para was based on the statement of the Storekeeper who was technically not competent to declare as to whether an item serviceable or not. Further it was found that the store in question was subsequently utilized. The para is recommended to be dropped subject to verification of the utilization of the store.

**DP 6**      **Un-authorized purchase of road rollers worth Rs.1.70 million.**

In view of the justification advanced by the Department, the para is recommended to be dropped.

**DP 16**            **Unauthorized purchase of AC, Cooking Range and Carpet Rs.36,000/-  
fro kuse by non-entitled officers.**

The explanation of the Department that the items were provided in the PCI, which was duly approved at a competent forum was also supported by the representative of the Finance Department. The para is, therefore, recommended to be dropped.

**DP 48**            **Irregular purchase of timber for Rs.1.983 million.**

**DP 74**            **Irregular and un-economical purchase of Miscellaneous items for  
Rs.1.115 million.**

**DP 75**            **Irregular and un-economical purchase of steel worth Rs.4.465 million.**

The PAC discussed the decisions of DAC as well as enquiry reports of the S.E. The Committee observed that in view of the peculiar location of Chitral, the environment and the climatic conditions in Chitral the procurement of the items was unavoidable. It was decided that enquiry against the officer stated to be in progress, may be dropped. The Committee found that irregularity had been committed through inadvertence but was in the public interest. Had the items not been procured, the work would have suffered. In view of the above, the paras are recommended to be dropped with the observation that this practice should be avoided and necessary directive be sent to all concerned under intimation to the PAC.

**DP 87**            **Irregular and un-authorized purchase of Suzuki jeep for Rs.0.116  
million.**

The Committee observed that the purchase of the jeep was made on a mere assumption that the PCI, which provided for it, would be approved. The Committee found that it was a gross irregularity and flagrant misuse by cheque drawing authority. The explanation of the of the Department that though the purchase was irregular, but was a necessity, found tenable. The Committee, therefore, takes a lenient view and the para is recommended to be dropped.

**DP 26**            **Recovery of advance Rs.2.065 million from supplier.**

It was reported that it was a case of adjustment of two divisions i.e. Nowshera and Karak C&W Divisions. The Chief Engineer, took on him that the needful

would be done upto December, 1994. the Committee noted that no loss was involved. The para is, therefore, recommended to be dropped.

**DP 59**            **Non-recovery of stores worth Rs.0.659 million from the Contractor.**

In view of the report of the Department that recovery has been effected, the para is recommended to be dropped, subject to verification by Audit.

**DP 90**            **Non-recovery of cost of store amounting to Rs.1.385 million from Contractor.**

Para stands. Partial recovery had been effected. The Committee, as assured by the Department, decided that the remaining outstanding may be recovered upto December 1994.

**DP 93**            **Non-recovery of over-payment of Rs.0.412 million.**

**DP 807**           **Outstanding recoveries amounting to Rs.2,87,000/-.**

Paras are recommended to be dropped, subject to verification of recovery by Audit, alleged to have been effected.

**DP 858**           **Non-recovery of stores Rs.1,96,336/-.**

Para stands. The contention of the Department that the recovery could not be made from the Contractor, because the Contractor had filed a case in the Court, was not tenable. The Committee observed that the pendency of the case in the Court did not stop the Department from making recovery. The Committee decided that the recovery may be made from the officer.

**DP 58**            **Undue favour to Contractor by way of award of work at higher cost loss of Rs.0.418 million.**

In view of the plausible explanation of the Department that it was not possible to execute the work at a rate prevailing ½ year before, the para is recommended to be dropped.

**DP 102**           **Abnormal deviation from estimates in favour of Contractor.**

Since disciplinary action by issuing warnings to the officers involved had been taken, the para is recommended to be dropped.

**DP 842**      **Undue financial assistance of Rs.1,51,404/- to the Contractor/deviation from the Contract Agreement.**

Para stands. The Department contended that Bitumen was not available in the stock and the Contractor was authorized to purchase from the Market. The Committee decided that the Audit would verify that whether or not bitumen was available in the store at that time and submit report to the PAC within a month.

**DP 14.1**      **Non-reconciliation of Accounts.**

**DP 15.1**      **Delay in disposal of pension cases by Department.**

**DP 16.1**      **Delay in the disposal of the Final payment cases of GP Fund by the Department.**

As per general instructions, issued to all the Administrative Departments, the paras are recommended to be dropped.

IV.              The meeting was adjourned till 04/09/1994.

(ABDUL AKBAR KHAN),  
SPEAKER/CHAIRMAN,

## **PROVINCIAL ASSEMBLY OF N.W.F.P.**

### **PROCEEDINGS OF THE MEETING OF PUBLIC ACCOUNTS COMMITTEE HELD ON 04/09/1994 AT 10:00 AM IN THE CONFERENCE ROOM OF PROVINCIAL ASSEMBLY SECRETARIAT, PESHAWAR.**

I. The following were present:-

- |    |                                                                                                                              |          |
|----|------------------------------------------------------------------------------------------------------------------------------|----------|
| 1. | Mr. Abdul Akbar Khan, Speaker                                                                                                | Chairman |
| 2. | Mr. Iqbal Hussain Khattak,<br>Provincial Minister.                                                                           | Member   |
| 3. | Dr. Inayatul Haq, MPA                                                                                                        | Member   |
| 4. | Mr. Jehangir Khan, MPA                                                                                                       | Member   |
| 5. | Mr. Ghani Muhammad Khan,MPA                                                                                                  | Member   |
| 6. | Mr. Bakht Baidar Khan, MPA                                                                                                   | Member   |
| 7. | Syed Asif Shah,<br>Secretary to Govt: NWFP,<br>Education Department.                                                         |          |
| 8. | Mr. Niamatullah Abid,<br>Director-General, Audit, NWFP.                                                                      |          |
| 9. | Mr. Abdul Siddique,<br>Additional Secretary to Govt. of NWFP,<br>Finance Department.<br>Representative of Secretary Finance. |          |

II. Mr. Abdul Hameed Khattak, Secretary Provincial Assembly of N.W.F.P. acted as Secretary to the Committee.

III. The Committee took up for consideration the Report of Auditor-General of Pakistan for financial year 1989-90 in respect of Education Department.

The PAC noted with great concern that the Department did not come fully prepared and thus failed to satisfy the PAC about various irregularities, pointed out in the Audit Report, 1989-90. The Committee, therefore, directed that in future it should come fully prepared and bring all the relevant record/documents for inspection of the PAC and the concerned officers i.e. DEOs/SDEOs etc must be present to assist the higher officers of the Department in the PAC meetings.

The PAC directed that no illegal bank accounts for the Government money should be maintained. All such accounts, if any, should be closed forthwith and the amount credited in the Government ex-chequer.

The Committee also recommended that in future cheque system should be introduced for the drawl of salaries etc in the education institutions. The Department in consultation with the representatives of Finance Department and Accountant-General work out the modalities for the purpose.

**DP 212**      **Mis-classification of Government money worth Rs.5.380 million.**

In view of the plausible explanation of the Department, the para is recommended to be dropped, subject to the condition that the Department shall issue necessary instructions to all concerned officers/officials disciplinary action will be taken against the defaulters, as ignorance of law is no excuse.

**DP 49**      **Non-recovery of 5% House rent amounting to Rs.16,520/-.**

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

**DP 98**      **Un-necessary blockade of Govt. money amounting to Rs.1,46,367/-.**

**DP 101**      **Un-necessary blockade of Govt. money amounting to Rs.82,189/30.**

The PAC recommends that sanctioned staff of the Construction Advisory Units, established in the Education Department shall be increased to ensure timely handing/taking over of the newly constructed schools to the satisfaction of the Education Department. Stores should not be purchased during the year, in which the building for the school was not constructed. In future, funds allocated justification for demand during the next year so as to avoid unnecessary blockade of Govt. money. Subject to the above observation, the paras are recommended to be dropped.

**DP 112**      **Non-deduction of House rent amounting to Rs.19,244/-.**

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

**DP 208**      **Blockade of Govt. money amounting to Rs.178.144 million.**

**DP 137**      **DP 137 Government dues recoverable amounting to Rs.13.824 million.**

**DP 201**      **Non existence of Internal check system.**

**DP 213**      **Govt. dues recoverable amounting to Rs.13.849 million.**

Paras stand. The PAC unanimously recommends that the Provincial Government shall exempt the Education Department from the purchase of furniture from pak German only and may be allowed to purchase furniture from the open market, subject to observance of codal formalities.

A Sub-Committee of PAC, to be constituted by the Chairman with representative each from the Audit, Education and Finance Departments will thoroughly examine the paras, especially the issues of blockade of Government money with pak German project on account of payment made for unsupplied furniture, details of recoveries and other allied matters. The meeting of the Committee will be held on 07/09/1994 after 2:00 PM in the Assembly Chambers, Peshawar, which will submit its report to the PAC. The Department is directed to come prepared for the meeting.

**DP 2**      **Suspected misappropriation of Rs.48,980/-.**

Para stands. The Committee recommends that disciplinary action should be taken against the concerned officer, who committed the irregularity.

**DP 11**      **Temporary mis-appropriation of Rs.2,52,000/-.**

Pended till tomorrow for clarification of Store position.

**DP 18**      **Non-accountal of charcoal and Firewood worth Rs.6,13,000/-.**

Deferred. The PAC directs the audit Department to conduct thorough audit of the case and submit its report to PAC.

**DP 114**      **Mis-appropriation of Misc store worth Rs.12,081/-.**

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

**DP 116**      **Non-accountal of store articles worth Rs.24,119/- in the stock Register.**

**DP 204**      **Suspected misappropriation of store articles worth Rs.7,07,321/-**

**DP 1163**      **Suspected mis-appropriation of Rs.42,878/-**

In view of the plausible explanation f the Department, the paras are recommended to be dropped.

**DP 111**      **Loss of 1158 books costing Rs.72,805/- and retention of Library books for indefinite period amounting to Rs.15,374/-.**

The PAC observed that the issuance of Library books must be regulated strictly according to Library Books Lending Rules. The PAC also directed the issuance of Library Books against the rules and their retention period may be discouraged. The para is recommended to be dropped, subject to further verification by the audit.

**DP 205**      **Losses of Government amounting to Rs.31,95,241/-.**

Recoveries may be watched and the amount recovered may be verified by the Audit, the para is recommended to be dropped.

**DP 922**      **Loss of Rs.13,445/-.**

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

**DP 1170**      **Loss of Rs.1,15,258/- due to purchase of science equipment and chemical at higher rates.**

The PAC directed that the Department should direct the DEO, Lakki to produce the relevant record before the PAC.

**DP 16**      **Unauthorized retention of fund Rs.4,25,000/- in schedule bank.**

Deferred till tomorrow.

**DP 31**      **Un-authorized deposit of Rs.1,52,000/- in commercial bank.**

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

**DP 82**      **Deposit of public fund in commercial bank amounting to Rs.2,50,000/-**

Para stands. The Committee recommends that action should be taken against the responsible officer, who committed the irregularity.

**DP 106**      **Illegal retention of Govt. money worth Rs.80,000/- out of Govt. account.**

**DP 200**      **Keeping of Rs.1,99,588/- in commercial bank without approval of Finance Department.**

**DP 26**            **Avoidance of lapse of Budget grant amounting to Rs.16,000/-.**

In view of the plausible explanation of the Department, the paras are recommended to be dropped.

**DP 29**            **Irregular drawl of Rs.1,58,384/-.**

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

**DP 6**             **Doubtful payment of salaries of Rs.64,000/-.**

Para stands. The Audit office shall check the signatures of recipients of the salaries with their previous ones alongwith other issues relating to the para and submit report to the PAC.

**DP 14**           **Doubtful payment Carriage charges amounting to Rs.48,000/-.**

Para stands. Relevant record should be produced by the Department to Audit and PAC to be discussed by the Sub-Committee on 07/09/1994.

**DP 15**           **Irregular payment of Rs.70,081/- to the suppliers for short supply of store.**

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

IV.                The meeting was adjourned till 05/09/1994.

(ABDUL AKBAR KHAN),  
SPEAKER/CHAIRMAN, PAC

## **PROVINCIAL ASSEMBLY OF N.W.F.P.**

### **PROCEEDINGS OF THE MEETING OF PUBLIC ACCOUNTS COMMITTEE HELD ON 05/09/1994 AT 10:00 AM IN THE CONFERENCE ROOM OF PROVINCIAL ASSEMBLY SECRETARIAT, PESHAWAR.**

I. The following were present:-

- |    |                                                                                                                       |          |
|----|-----------------------------------------------------------------------------------------------------------------------|----------|
| 1. | Mr. Abdul Akbar Khan, Speaker                                                                                         | Chairman |
| 2. | Syed Allauddin, Deputy Speaker                                                                                        | Member   |
| 3. | Mr. Iqbal Hussain Khattak,<br>Provincial Minister.                                                                    | Member   |
| 4. | Mr. Ghani Muhammad Khan,MPA                                                                                           | Member   |
| 5. | Dr. Inayatul Haq, MPA                                                                                                 | Member   |
| 6. | Mr. Jehangir Khan, MPA                                                                                                | Member   |
| 7. | Mr. Pir Muhammad Khan MPA                                                                                             | Member   |
| 8. | Mr. Niamatullah Abid,<br>Director-General, Audit, NWFP.                                                               |          |
| 9. | Mrs. Ali Begum,<br>Additional Secretary to Govt: NWFP,<br>Education Department.<br>Representative of Secy, Education. |          |
| 9. | Mr. Abdul Siddique,<br>Additional Secretary to Govt. of NWFP,<br>Finance Department.                                  |          |

II. Mr. Abdul Hameed Khattak, Secretary Provincial Assembly of N.W.F.P. acted as Secretary to the Committee.

III. The Committee took up for consideration the Report of Auditor-General of Pakistan for financial year 1989-90 in respect of Education Department.

The Chairman clarified that the decision with regard to purchase from the open market was inadvertently published. The impression that Sub-Committee had been formed to look into purchase was not correct. The factual position was that the Sub-Committee was formed to probe into the advance payment made to the Pak-German wood but furniture was still to be supplied. The decision to purchase from the open market on competitive basis was final.

The Committee agreed with the proposal that running bills may be adjusted against the advances lying with the SIDB. The Committee was of the view that, in order to get quality furniture, pre qualification of firms with sound financial base and of good repute would be of help and needed to be explored.

The proposal that the elders of the area may visit the schools to know the deficiencies and identify other problem and bring to the notice of the Department through MPA of the Constituency was appreciated and upheld.

**DP 22**            **Irregular acceptance of higher rates resulting in extra payment of Rs.91,314/-.**

The Department informed that as per decision of the DAC enquiry was conducted in 1991, however, the report was not sent to the Audit. Had the enquiry report been sent, the para would not have been incorporated in the Audit Report. He Committee decided that in future the progress on the decision be invariably sent to the Audit as early as possible. The para is recommended to be dropped with the above observation.

**DP 81**            **Irregular payment and non-production of Acquittance Rolls of Rs.52,000/-.**

Para stands. The Committee observed that the copy of acquittance Rolls produced at eh time of the Audit did not contain the names of he payees, whereas the record shown to PAC contained the names. It is understood that it was an after thought. The names were written after the Audit made observation. Thus the Committee found that there was foul play, and the Committee decided to constitute a Sub-Committee of Syed Allauddin, Deputy Speaker and Mr. Pir Muhammad Khan, MPA to further examine the record, visit the school and meet the payees, to find out whether payment was made to them and to determine as to why the names of the payees were not written when the Audit was being carried out.

The Committee observed that the present system was defective and needed to be reviewed and overhauled, so as to plug the possibility of misappropriation. The Committee decided that the Finance/Education Departments and Accountant-General may examine and evolve a mechanism, which is practicable and pragmatic, so as the chance of misappropriation could be minimized if not eliminated altogether.

**DP 146**            **Irregular payment and non-surrendering the saving.**

**DP 155**            **Irregular payment of Rs.2,07,292/-.**

**DP 145**            **Embezzlement of Grant-in-Aid Rs.8,03,535/-.**

Para stands. The Committee observed that the Department was guilty of negligence for not taking steps or recovery. The plea that the case was sub-judice was not tenable. If stay to that effect was not granted, then there was no embargo on the recovery from the accused. The Committee directed that the amount embezzled may be recovered from the accused's pension. If he has received pension then the amount may be recovered as arrear of land revenue from him. Further, the Department was directed to pursue the case in the court vigorously so as to ensure early adjudication.

**DP 659**            **Excess payment of Rs.80,323/- due to higher rates paid and (ii) misutilization of grant of Rs.29,384/-.**

Para stands. The matter, as decided in the DAC would be investigated within 15-days and position reported to the Audit and PAC.

**DP 13**            **Unplanned purchase of store worth Rs.1,550/- avoid lapse of Budget.**

Para stands. The Committee observed with concern that the Department as committed in the DAC, had yet to produce the record. The Committee directed that the record may be produced to the Audit without further delay. The Committee showed displeasure over the non-implementation of decision of the DAC.

**DP 30**            **Irregular purchase of Typewriter amounting to Rs.30,000/-.**

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

**DP 36**            **Excessive purchase of jute tats ad science equipments costing Rs.3,68,070/-.**

As per decision of the DAC, enquiry was to be conducted. The Department stated that enquiry was conducted but not sent to the Audit. The para is recommended to be dropped with the observation that the enquiry conducted may be shown to the Audit.

**DP 95**            **Irregular purchase of stationery articles worth Rs.38,726/-.**

The para is recommended to be dropped in view of the satisfactory explanation of the Department.

**DP 96**            **Purchase of Misc: articles for a middle schools amounting to Rs.2,59,969/-.**

**DP 104**           **Purchase of Misc: store articles costing Rs.70,941/-.**

**DP 105**           **Un-necessary purchase of store costing Rs.63,984/-.**

**DP 113**           **Purchase of Misc: store articles worth Rs.1,52,309/- in advance of actual requirements.**

The paras are recommended to be dropped.

**DP 117**           **Irregular purchase of science equipment costing Rs.30,000/-.**

Para stands. The PAC directs that disciplinary action may be taken against the Head Master, who made purchases in violation of the financial rules and progress be reported to the PAC.

**DP 209**           **Irregular purchase worth Rs.49,83,725/-.**

The para is recommended to be dropped.

**DP 25**            **Irregular expenditure of Rs.58,640/- on the purchase of Library books.**

**DP 1240**        **Irregular and un-necessary expenditure of Rs.37,090/- on the purchase of library books.**

The Committee observed that the books be purchased keeping in view the mental level of the students in future. The para is recommended to be dropped with the above observation.

**DP 28**            **Un-authorized and irregular expenditure of Rs.10,250/- on account of telephone charges.**

Para stands. The Committee observed that the officer was not authorized for the telephone and as such the expenditure incurred was irregular. The Committee directed that the amount may be recovered from the officer concerned and position be reported to the PAC.

**DP 37**            **Irregular/wasteful expenditure of Rs.35,190/- on account of issue of jute tats in excess of actual requirement.**

The Committee observed that in the instant case, extra tats were given in anticipation of future increase in students, and conversely in certain schools, the tats were short for the existing strength. The distribution was not realistic, the Committee noted. The Committee directed that this aspect should be paid attention and effort be made that even distribution is made. The para is recommended to be dropped with above observation.

**DP 174**            **Incurring of irregular expenditure of Rs.1,70,658/- on annual maintenance and petty repairs.**

The Committee observed that the irregularity was pointed out in 1989, but no action was taken. The Department, however, took the plea that the record was with the Anticorruption, the para is recommended to be dropped.

**DP 1114**            **Non-production of Auditable record in support of the grants of Rs.7.023 million to Principal, Government Cadet College, Kohat.**

The para is recommended to be dropped in view of the fact that expenditure certificate has been obtained.

**DP 260**            **Suspected embezzlement of Govt. money valuing Rs.4,87,660/-.**

The para is recommended to be dropped.

**27.1**                **Non-reconciliation of Accounts.**

The para is recommended to be dropped with the direction that regular reconciliation may be carried out. It was emphasized that the reconciliation of accounts was of paramount importance and called for specific attention. The PAC noted that the Department had some genuine problems while reconciling figures with the Accountant General's office and required to be looked into in order to remove the bottlenecks. It was decided that the matter would be taken up with the Accountant General, while discussing the Appropriation Accounts.

**28.1**            **Delay in disposal of Pension cases by the Department.**

**29.1**            **Delay in the disposal of the Final payment cases of G.P. Fund by eh Department.**

As per general instructions issued to all the Administrative Departments, the paras are recommended to be dropped.

IV.              The meeting was adjourned till 07/09/1994.

**(ABDUL AKBAR KHAN),  
SPEAKER/CHAIRMAN, PAC**

## PROVINCIAL ASSEMBLY OF N.W.F.P.

### PROCEEDINGS OF THE MEETING OF PUBLIC ACCOUNTS COMMITTEE HELD ON 07/09/1994 AT 10:00 AM IN THE CONFERENCE ROOM OF PROVINCIAL ASSEMBLY SECRETARIAT, PESHAWAR.

I. The following were present:-

- |     |                                                                                      |          |
|-----|--------------------------------------------------------------------------------------|----------|
| 1.  | Mr. Abdul Akbar Khan, Speaker                                                        | Chairman |
| 2.  | Syed Allauddin, Deputy Speaker                                                       | Member   |
| 3.  | Mr. Salim Saifullah Khan, MPA                                                        | Member   |
| 4.  | Mr. Ghani Muhammad Khan, MPA                                                         | Member   |
| 5.  | Dr. Inayatul Haq, MPA                                                                | Member   |
| 6.  | Mr. Jehangir Khan, MPA                                                               | Member   |
| 7.  | Mr. Pir Muhammad Khan MPA                                                            | Member   |
| 8.  | Syed Asif Shah,<br>Secretary to Govt. of NWFP,<br>Education Department.              |          |
| 9.  | Mr. Niamatullah Abid,<br>Director-General, Audit, NWFP.                              |          |
| 10. | Mr. Abdul Siddique,<br>Additional Secretary to Govt. of NWFP,<br>Finance Department. |          |

II. Mr. Abdul Hameed Khattak, Secretary Provincial Assembly of N.W.F.P. acted as Secretary to the Committee.

III. The Committee took up for consideration the Report of Auditor-General of Pakistan for financial year 1989-90 in respect of Education Department.

**DP 176**      **un-authorized advance payment of Rs.2,00,000/- on account of maintenance and repair of building.**

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

**DP 177**      **Irregular payment of Rs.1,36,436/- and loss of Rs.12,279/-.**

The para is recommended to be dropped.

**DP 180**      **Irregular advance payment of Rs.5,48,692/- account of Airconditioning of Central Library.**

It was observed that there was no provision for advance payment in the contract agreement, yet advance payment was made, which was violative and irregular. It was further observed that payment was made for non BOQ items. The para is recommended to be dropped, subject to verification of advance bill.

**DP 181**      **Overpayment or Rs.41,641/- to Contractor.**

It was observed that as per Contract Agreement 70% of the Excavated earth was to be utilized in the same building and in actual effect only 47% was utilized thus causing loss of Rs.41,641/- to the Government for bringing earth from outside. This was a financial irregularity and the Committee showed concern over the lapse. The para is recommended to be dropped with the direction that such lapse may not be repeated in future.

**DP 182**      **Overpayment of Rs.1,33,708/- due to non-deduction of 2% water charges.**

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

**DP 183**      **Overpayment of Rs.3,13,645/- due to incorrect calculations.**

The para is recommended to be dropped.

**DP 178**      **Suspected embezzlement of Rs.51,618/-.**

The Committee took a serious notice of the statement that since the concerned officer had gone abroad and hence record could not be produced at the time of Audit. The Committee was of the view that the record was official and should have been available. The non-availability of record reflected adversely on the Administration of University. The Committee recommends that the para may be dropped with the above observation and verification of record by the Audit.

**DP 179**      **Loss of Rs.2,86,351/- due to payment of higher rates.**

The Department contended that S.No.6.04 was not included in the BOQ, whereas the Audit para made mention of it. The university could not produce the original BOQ, to arrive at a correct conclusion. Para stands, subject to verification of S.No.6.04 from the original BOQ.

**DP 185**      **Loss of Rs.1,72,107/- due to payment of steel shutterings.**

Para stands. It was found that overpayment was made to the Contractor only to favour him. It was non-BOQ item and it was the responsibility of the Contractor to arrange the shutterings. The University took the plea that on the advice of Consultant, surface treatment was abandoned and special shuttering was provided for which payment was made. The Committee was provided and decided that recovery be made from the normal shuttering from the officer concerned.

**DP 187**      **Loss of Rs.68,250/- due to acceptance of higher rates of tender for purchase of furniture.**

The Committee did not accept the contention that there was emergency which necessitated that purchase without adopting the codal formalities of floating tenders. The tenders, as required under the FR, were required to be floated. The Committee, reluctantly, agreed to condone the irregularity with the warning that in future the General Financial Rules should be strictly followed. The para is recommended to be dropped.

**DP 188**      **Loss of Rs.13,370/- due to change of specification.**

The Department explained that though DPC was included in the BOQ, but was replaced by Bitumen, as the DPC was not feasible. The Committee showed surprise over this change and wondered as to how the Consultants, could not visualize it at the time of finalizing of BOQ. It was noted that the Consultant did take his assignment seriously. His attitude was casual and thus resulted in loss to the University. The Committee took a serious view and decided that the Consultant may be black-listed for the province. The para is recommended to be dropped.

**DP 184**      **Irregular grant of mobilization advance worth Rs.23,04,260/- to the Contractor and non-realization of interest thereof.**

**DP 218**      **Non-recovery of mobilization advance of Rs.55,000/-.**

The para are recommended to be dropped.

**DP 216**      **Irregular expenditure of Rs.1,62,555/- on printing work.**

It was observed that serious irregularity had been committed. The Contract Agreement in itself was defective, which did not include the 2<sup>nd</sup> party i.e. supplier. It was further observed that mobilization advance was granted so as the supply is completed within the stipulated time, but about six months extension was granted. The non-invoking of the penal clause meant that there was no urgency and hence the advance was not justified. The Committee attributed it to the indifferent attitude of the University Authority in financial matters. The matter is recommended to be dropped with the direction that special attention be paid to this weak area by the University.

**DP 286**      **Non-adjustment of Rs.6,82,450/- drawn on account of advances for purchase of stores etc.**

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

**DP 118**      **Blockade of University Fund amounting to Rs.4,40,500/-.**

**DP 156**      **Blockade of public money amounting to Rs.1.430 million.**

**DP 157**      **Irregular retention of Grant-in-Aid Rs.6.800 million.**

The para are recommended to be dropped, subject to verification by the Audit.

**DP 150**      **Doubtful utilization of advance Rs.7.705 million.**

Para stands. It was decided that reconciliation may be carried out of the amount alleged to have been realized within 6 months. For introducing proper Accounting System, it was decided, that a Summary may be moved to the Chancellor by the Education Department. The Committee directed that regular DAC meetings may be held. The Committee desired that the above steps for the streamlining of accounts of the University may be brought to the notice of the Chancellor.

**DP 158**      **Irregular utilization of public money amounting to Rs.2,50,000/-.**

**DP 149**      **Lack of financial control over recurring expenses resulting in accumulated deficit of Rs.15.609 million.**

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

**DP 160**      **Doubtful payment of advances of Rs.2,00,000/- to the Contractor.**

Para stands. The Audit will examine the record in regard to the advance payment to the Contractor, by Audit.

**DP 153**      **Irregular purchase of steel costing Rs.4,89,218/-.**

Para stands. The Audit will verify the record whether proper procedure, as laid down in the rules was adopted.

**DP 154**      **Irregular purchase of Rs.1,56,167/-.**

The para is recommended to be dropped with the direction that the uniform now lying in the store unutilized, may be disposed off and the position be reported to the Committee. The University authorities, should have done home work to know whether the experiment was implementable or not.

**DP 159**      **Irregular purchase of Typewriters costing Rs.58,800/-.**

The para is recommended to be dropped, in view of the plausible explanation of the Department.

**DP 151**      **record of expenditure of Rs.4.224 million not produced to Audit.**

Para stands. The University would produce record to the Audit for examination and verification. The implementation would be reported to the PAC.

**DP 152**      **Irregular expenditure of Rs.9,90,427/-.**

The Committee observed that amount was diverted to the Sui Gas, at the cost of other work for which the allocation was made. However, the University explained that the expenditure was met out of AM&R, the para is recommended to be dropped.

**DP 148**      **Irregular drawal of Grant-in-Aid amounting to Rs.34.469 million.**

The Committee observed that the sum drawn in anticipation of actual demand was a financial irregularity and there was every possibility that the amount shown as having been spent may never be utilized. The Committee directed that this

practice may be discontinued. The para is recommended to be dropped with the above direction.

**DP 155**      **Irregular payment of Rs.2,07,292/-.**

The para is recommended to be dropped with the direction that similar irregularity may not be repeated in future.

**NON-RECONCILIATION**  
**PENSION**  
**GPFUND.**

The paras are recommended to be dropped, with the general instructions issued to all the Administrative Department in similar cases.

IV.            The meeting was adjourned till 12/09/1994.

**(ABDUL AKBAR KHAN),**  
**SPEAKER/CHAIRMAN, PAC**

## PROVINCIAL ASSEMBLY OF N.W.F.P.

### PROCEEDINGS OF THE MEETING OF PUBLIC ACCOUNTS COMMITTEE HELD ON 12<sup>TH</sup> SEPTEMBER, 1994 AT 10:00 A.M. IN THE CONFERENCE ROOM OF PROVINCIAL ASSEMBLY SECRETARIAT, PESHAWAR.

I. The following were present:-

- |     |                                                                                                                              |          |
|-----|------------------------------------------------------------------------------------------------------------------------------|----------|
| 1.  | Mr. Abdul Akbar Khan, Speaker                                                                                                | Chairman |
| 2.  | Mr. Iqbal Hussain Khattak<br>Provincial Minister                                                                             | Member   |
| 3.  | Dr. Inayatul Haq, MPA                                                                                                        | Member   |
| 4.  | Mr. Pir Muhammad Khan MPA                                                                                                    | Member   |
| 5.  | Dr. Nader Khan,<br>Secretary to Govt. of NWFP,<br>Health Department.                                                         |          |
| 9.  | Mr. Niamatullah Abid,<br>Director-General, Audit, NWFP.                                                                      |          |
| 10. | Qazi Hifzur Rehman,<br>Additional Secretary to Govt. of NWFP,<br>Finance Department.<br>Representative of Secretary Finance. |          |

II. Mr. Abdul Hameed Khattak, Secretary Provincial Assembly of N.W.F.P. acted as Secretary to the Committee.

III. The Committee took up for consideration the Report of Auditor-General of Pakistan for financial year 1989-90 in respect of Health Department.

**DP 43**      **Irregular purchase of Air Conditioner worth Rs.11,500/-.**

Para stands, till the final decision of the Finance Department, where the case is pending for Expost Facto sanction.

**DP 58**      **Irregular purchase of Gestetner Machine and electric water cooler amounting to Rs.41,650/-.**

In view of the plausible explanation of the Gestetner was a proprietary item and did not require the calling of tender, the para is recommended to be dropped.

**DP 66**      **Un-necessary purchase of Machinery and equipment worth Rs.1,20,448/-.**

The Committee observed that the machinery was purchased in anticipation and was lying idle for 5-years and thus the Government money was blocked which could be utilized for other important work. The Department replied that the machine was a requirement. Since the water level went down and so it could not be utilized on the tubewell. It was kept in store till the sinking of another tubewell. Now the machinery was optional. In view of the above explanation, the para is recommended to be dropped.

**DP 67**      **Purchase of Furniture and equipments valuing Rs.78,000/- in anticipation of actual requirements.**

The para is recommended to be dropped in view of the explanation of the Department. The PAC, however, observed that funds only be provided by the Planning and Development Department on the completion of the building by the C&W Department. The purchases of articles in advance without completion of the building was uncalled for, as the items without use tended to be decayed.

**DP 169**      **Purchase of Rs.61,08,456/- made by ignoring the lowest.**

The Committee observed that two tier system of purchase of medicine i.e. through MSD as well as locally, was cumbersome and needed to be streamlined. It was noted that the purchase of medicine by MSD was a lengthy process and consumed at least 5 months the hospitals remained without medicine, during which the hospitals were compelled to make local purchase in piece meal. The Committee observed that the MSD was unnecessary and needed to be done away with. The PAC decided that the local purchase may be made for which the Secretary Health will frame procedure and modalities.

Under Audit para 169 there were various sub-paras which were not reproduced in the working paper. The Committee, therefore, did not take the same. It would be taken up tomorrow and the Department would provide a new working paper incorporating the sub-paras.

**DP 1186**      **Irregular purchase of water coolers costing Rs.3,00,000/-.**

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

**DP 141**      **Internal check system did not exist to guard against financial irregularities.**

In view of the explanation of the Department that the Internal Check system was there, the para is recommended to be dropped.

**DP 55**      **Suspected pilferage to microscope valuing Rs.50,000/-.**

Since the recovery is being made, the para is recommended to be dropped.

**DP 87**      **Overpayment of Rs.23,670/- on account of grant of H.R. Allowance to the Members of staff provided Govt. Accommodation.**

The para is recommended to be dropped. The Committee further decided to waive the recovery off. The statement that the quarters were allowed to be occupied by the Afghan Refugees on verbal orders of the ten Governor, the Committee directed that such orders may invariably be reduced to writing.

**DP 71**      **Incurring of expenditure of Rs.30,450/- without calling tender/quotation.**

The para is recommended to be dropped with the observation that the recurrence of the irregularity in future would not be tolerated.

**DP 136**      **Misclassification of expenditure to the tune of Rs.10,29,690/-.**

Para stands. A Sub-Committee will be constituted to look into the matter and fix responsibility for the incurrence of the money on items not covered under the object head under which the funds were provided.

**DP 41**      **Un-necessary blockade of Govt. money amounting to Rs.44,04,421/-.**

The para is recommended to be dropped in view of the fact that the equipment being a component of the project was purchased, but could not be installed as the building was not completed.

**DP 91**      **Non-recovery of penalty amounting to Rs.45,134/66 from the defaulters.**

Para stands. According to the terms and conditions the agreement the supplier was required to complete the supply of the medicines within sixty days of the receipt of the orders. In case of failure to supply within the stipulated period he could avail another thirty days with 2% penalty and beyond that period 5% penalty was to be imposed. In the present case supply was completed after 90 days, but the penalty was

deducted at 2% instead of 5% as per existing decision. The Committee recommended that the penalty may be recovered at the rate of 5% from the Contractor as arrear of land revenue. If for one reason or the other, it is not possible then it may be recovered from the Members of the Purchase Committee at proportionate ratio.

**DP 126**      **Un-necessary purchase medicines resulting in blockade of Govt. money amounting to Rs.8,39,809/-.**

The is recommended to be dropped in view of the explanation that demand on MSD for supply was made but the MSD was not in position to meet the demand, hence resort to local purchase was made.

**DP 164**      **Blockade of Government money Rs.12.032 million.**

As the sub-para of the Audit para were not incorporated in the working paper, the para will be taken up on 13/09/1994.

**DP 40**      **Non-production of certificate on account of Grant in Aid amounting to Rs.23,50,000/-.**

The para is recommended to be dropped.

**DP 54**      **Loss of Rs.3,20,000/- due to theft of Machinery.**

Para stands. The Committee observed that in pursuance of Rule-20 of GFR Vol-I, the matter was to be reported to the AG, but the concerned officer failed to discharge his duty in accordance with the rule. The Committee took a lenient view of the irregularity and condoned it. The PAC, however, took a strong view of not instituting an enquiry to fix responsibility for the theft. The Department was directed to hold an enquiry and fix responsibility and report to the PAC.

**DP 120**      **Loss of Rs.2,90,000/- due to purchase of dextrose at higher rates.**

The para is recommended to be dropped in view of the explanation that the purchase at higher rate was resorted as the quality was better.

**DP 138**      **Loss of Rs.63,979/- due to non-deduction of House rent for Government accommodation.**

Para stands. The Committee decided that recovery should be made and be verified by the Audit.

**DP 935**      **Loss of Rs.17,970/- to Government due to non-imposition of fine on Contractors.**

It was established that irregularity was committed. The Administrator being Category-I was only competent to grant remission upto Rs.2,000/-. The remission granted was not within his power. The para is recommended to be dropped in view of the plea that the Contractor when warned became regular and did not default in payment.

**DP 1201**      **Loss of Rs.37,251/- due to deposit of less cost of X-ray films.**

The para is recommended to be dropped in view of the plausible explanation offered by the Department.

**DP 46**      **Irregular expenditure of Rs.33,610/- non-production of Auditable record.**

Deferred and will be taken up tomorrow.

**DP 47**      **Excess expenditure of Rs.40,967/-.**

The para is recommended to be dropped with the direction that he expenditure should remain within the budgetary allocation.

**DP 53**      **Irregular issue of 4001 Kgs Malathan costing Rs.5,86,142/-.**

The para is recommended to be dropped.

**DP 64**      **Irregular and un-authorized expenditure of Rs.1,30,472/- on the purchase of fans.**

The para is recommended to be dropped, subject to verification of the condonation granted by the Finance Department. It was observed that Policy and major decisions were taken at the DAC level. It was decided that major decisions may not be taken at the DAC level. It was also decided that Finance Department should not grant ex-post facto sanction freely.

**DP 65**      **Expenditure of Rs.58,950/-.**

It was observed that the funds were provided by the Federal Government, hence did not fall within the purview of the Provincial Audit. The PAC was not competent to take cognizance of the projects of the Federal Government. The para is recommended to be dropped.

IV. The meeting was adjourned till 13/09/1994.

**(ABDUL AKBAR KHAN),  
SPEAKER/CHAIRMAN, PAC**

## PROVINCIAL ASSEMBLY OF N.W.F.P.

### PROCEEDINGS OF THE MEETING OF PUBLIC ACCOUNTS COMMITTEE HELD ON 13<sup>TH</sup> SEPTEMBER, 1994 AT 10:00 A.M. IN THE CONFERENCE ROOM OF PROVINCIAL ASSEMBLY SECRETARIAT, PESHAWAR.

I. The following were present:-

- |     |                                                                                                                              |          |
|-----|------------------------------------------------------------------------------------------------------------------------------|----------|
| 1.  | Mr. Abdul Akbar Khan, Speaker                                                                                                | Chairman |
| 2.  | Syed Allauddin, Dy: Speaker                                                                                                  | Member   |
| 3.  | Dr. Inayatul Haq, MPA                                                                                                        | Member   |
| 4.  | Mr. Pir Muhammad Khan MPA                                                                                                    | Member   |
| 5.  | Mr. Jehangir Khan, MPA                                                                                                       | Member   |
| 6.  | Mr. Ghani Muhammad Khan, MPA                                                                                                 | Member   |
| 7.  | Dr. Nader Khan,<br>Secretary to Govt. of NWFP,<br>Health Department.                                                         |          |
| 8.  | Mr. Niamatullah Abid,<br>Director-General, Audit, NWFP.                                                                      |          |
| 9.  | Qazi Hifzur Rehman,<br>Additional Secretary to Govt. of NWFP,<br>Finance Department.<br>Representative of Secretary Finance. |          |
| 10. | Mr. Sanauallah Babar,<br>Chief Secretary, C&W Deptt.                                                                         |          |

II. Mr. Abdul Hameed Khattak, Secretary Provincial Assembly of N.W.F.P. acted as Secretary to the Committee.

III. The Committee took up for consideration the Report of Auditor-General of Pakistan for financial year 1989-90 in respect of Health Department.

**DP 68**      **Incurring of un-authorized excess expenditure of Rs.4,51,819/- as diet charges.**

The Committee accepted the contention that Rs.5/- per patient, suffering from TB was insufficient. The patients needed to be given better meals, the para is recommended to be dropped.

**DP 77**      **Un-authorized expenditure of Rs.1,00,500/- on purchase of medicines.**

The para is recommended to be dropped, subject to verification of the record, alleged to have been sent to the Audit.

**DP 88**      **Irregular incurrance of expenditure of Rs.1,99,000/- on purchase of X-ray plant.**

It was decided that the para would be dropped if evidence, that the plant was functioning, was proved. The plant was reported to be functional, the para is, therefore, recommended to be dropped.

**DP 135**      **Doubtful expenditure of Rs.3,67,984/-.**

Para was pended. It was decided that the Sub-Engineer may be called to appear before the PAC on 14/09/1994, to explain as to why he did not produce the record to the Audit at the time of Audit.

**DP 137**      **Wasteful expenditure of Rs.34,134/- on un-necessary appointment of staff for idle X-ray plants.**

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

**DP 140**      **Wasteful and un-necessary expenditure of Rs.71,052/- on account of purchase of bedding/clothing.**

The para is recommended to be dropped.

**DP 32**      **Un-authorized deposit of Govt. money of Rs.1,79,400/- in a commercial bank and wasteful expenditure of Rs.45,526/-.**

The PAC took a serious exception of the decision taken in the meeting of DAC with regard that the irregularity may be condoned. The DAC, was not competent to take such a decision. The DAC, was not violation of the provisions of the Constitution. The Finance Department, too by granting condonation for which, it was not competent, violated the constitutional provisions. The Committee directed that the DAC and the Finance Department, should be very careful while taking decision, particularly decisions which are in conflict with the Constitution. Since the condonation in pursuance of the decision of DAC, though wrong ab-initio, was granted, the para is recommended to be dropped.