

PROVINCIAL ASSEMBLY OF NWFP

ADOPTED BY THE HOUSE ON 02/07/1999

PRELIMINARY REPORT OF PUBLIC ACCOUNTS COMMITTEE ON THE ACCOUNTS OF GOVERNMENT OF NWFP FOR THE YEAR 1995-96

REPORT

1. The Audit Report for the year 1995-96 was laid in the Assembly on 17/03/1998 in pursuance of Article 171 of the Constitution read with rule 198 of the Provincial Assembly of NWFP, Procedure Conduct of Business Rules, 1988 and referred to PAC for examination.

2. A series of meetings of PAC were held form 11th August 1998 to 17th September 1998 at Peshawar and Swat to discuss the accounts of the under mentioned Departments. Minutes in respect of each Department.

S.No.	Name of Department	Total D.P
1.	Physical Planning & Housing	40
2.	Food	3
3.	Agriculture	8
4.	Irrigation	45
5.	Health	14
6.	Home	9
7.	Public Health Engineering	6
8.	PE&D	8
9.	Education	74
10.	Local Government	33
11.	C&W	2
12.	BOR	2
13.	Forest	4
	Total	297

3. Before discussing the Audit Report for the year 1995-96, the Committee threw light on the recovery position of each Department. The Chairman noted with concern that some of the Departments have not made sincere efforts to implement the recommendations of the Public Accounts Committee embodied in the Report duly adopted by the House in its meeting held on 21/11/1997. However, the Committee appreciated the efforts of Board of Revenue and Home Departments in implementation of the decision of the Public Accounts Committee.

4. It was, therefore, clarified by the Chairman that in pursuance of rule 135 of the Provincial Assembly of NWFP Procedures and Conduct of Business Rules 1988, a report adopted by the House unanimously has binding effect on the Government. It is purely the responsibility of the Government to pave way and remove all obstacles to implement the decision made by the Assembly. He urged the Administrative Departments that due weightage may be given to honour the decision of the House particularly with regard to the Public Accounts Committee.

5. He also pointed out that after adoption of the report of the Public Accounts Committee, some of the Departments have referred the review application to the Assembly Secretariat. He clarified that the report once adopted cannot be re-opened by a Committee or Chairman, therefore, all the review petitions were filed.

6. Like wise in the past, the Committee unearthed certain cases of gross financial irregularities, financial bungling and misuse of powers. Prima facie where it was found that the Government money was over paid, the Committee directed the recovery from the concerned officials, contractor and consultants within a period of three months. The following table will show the recovery position ordered by the PAC in respect of each Department:-

**DEPARTMENT WISE STATEMENT SHOWING RECOVERABLE AMOUNT
FOR THE YEAR 1995-96**

S.No.	Name of Department	Amount to be recovered on the directives of the PAC	Amount to be recovered on the directives of the PAC (conditionally)
1.	PP&H	Rs.1,67,91,596/-	Rs.1,57,550/-
2.	Food & Agriculture	Rs.94,000/-	-----
3.	Irrigation	Rs.41,10,043/-	-----
4.	Health	Rs.52,292/-	-----
5.	Home	Rs.11,49,75,000/-	Rs.22,23,000/-
6.	PHE	Rs.47,950/-	-----
7.	PE&D	Rs.8,76,000/-	Rs.17,55,000/-
8.	Education	Rs.6,87,91,058	Rs.3,34,57,375/-
9.	Local Government	Rs.54,62,049/-	Rs.1,30,26,000/-
10	C&W	Rs.3,44,75,600/-	-----
	Total	24,56,75,588/-	Rs.5,06,19,225/-

7. The Chairman once again clarified that if the recoveries were made voluntarily in time then no departmental/criminal action whatsoever, may be taken and no adverse entry in the ACRs be reflected. However, he emphasized on the departmental officers that if any officer involved in misdeed, hesitates to make the recovery good, then he may be proceeded under the rules without raising technical points.

8. In addition to the observation already incorporated in the previous report, the following general observations were made by the PAC.

i) **WORKING PAPER:-**

9. The Committee noted that the condition of working papers of some of the Departments particularly the Education and C&W were very poor so much so that certain documents were not readable. Besides this it was also found that the documents mentioned in the paras shown to have been attached with the working papers were found missing. In the C&W Department in particular, the reply of the Secretary was found totally different from the one given in the working papers. Therefore, all the Departments

were directed that the working papers must be completed in all respect and submitted in presentable shape.

ii) **MINUTES OF DEPARTMENTAL ACCOUNTS COMMITTEE.**

10. The Committee noted that minutes of DAC were not properly recorded. The Committee directed that in future exhaustive minutes of the DAC may be prepared and the same should be attached with the working papers to facilitate the job of PAC members.

iii) **NON PRODUCTION OF THE DOCUMENTS TO THE AUDIT.**

11. The Committee noted that usually the department did not supply the documents to the audit in time and even in DAC level. The Committee directed that in future all such documentary proofs must be made available to the Audit without any delay otherwise inference would be drawn that all the documents were prepared afterwards and the efforts would be treated as after thought.

iv) **NON COMPLIANCE OF PROVISIONS OF G.F.R. AND TREASURY RULES ETC.**

12. It was observed by the committee that in some of the Departments particularly the C&W and Local Government, the provisions of GFR and Treasury Rules were not strictly followed. The Committee made it clear that unless the rules were amended they must be followed in letter and spirit and any deviation from the rules would land the concerned officer in to trouble unless and until solid grounds are made available to PAC.

v) **ADVERTISEMENT.**

13. The Committee directed that in future every advertisement must be given in National Daily Newspapers. Moreover, the Information Department was directed that advertisement received from a Department must be published within a week's time, otherwise the Department would be at liberty to give the same to press directly.

vi) **INSTRUCTION TO AUDIT.**

i) The Committee noticed that some times the Auditors of Audit Department consolidate various paras in one heading which creates difficulties to the Committee for giving observations in respect of each paras. The audit

officer was, therefore, directed that this practice should be avoided and in future separate para may be reflected in the audit report of each objection.

- ii) It was also observed that while conducting the audit the officers of the audit Department did not specifically point out the officials responsible in the misdeed. This practice always put the department and the committee in the difficult situation while fixing responsibility, therefore, the Committee directed the audit department that in future the offices responsible in the case must be pointed out to facilitate the job of the Committee and the Department in fixing responsibility on the respective officials.
- vii) **NON SUBMISSION OF FULL REQUIREMENT.**

14. The Committee noted that while constructing the Polytechnic Institute Bannu the Education Department failed to provide their full requirements to the C&W due to which huge expenditure was incurred at a later stage. The Committee, therefore, directed that in future while submitting a case to C&W and any other department for construction of building, the requirement must be provided to the concerned department before floating tender in the press. The PAC remarked that in case of failure subsequent changes unless and until they are really essential would not be acceptable to the PAC.

RECOMMENDATIONS

15. While submitting this report to Provincial Assembly of North West Frontier Province, the Committee finally recommends that the suggestions, recommendations and directives made by the Committee in the report and the minutes, as appended may be accepted.

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

MINUTES
OF THE
PUBLIC ACCOUNTS COMMITTEE

MINUTES INDEX

S.NO.	DEPARTMENT	DATE OF MEETING	PAGE NO.
1.	PP& H	11-08-1998 12-08-1998 13-08-1998	7-14 15-23 24-33
2.	i. BOR ii. Food & Agriculture	17-08-1998	34-43
3.	Irrigation	18-08-1998 19-08-1998 20-08-1998	44-50 51-59 60-71
4.	Education	24-08-1998 25-08-1998 26-08-1998 27-08-1998 28-08-1998	72-83 84-92 93-103 104-112 113-120
5.	Health	01-09-1998	121-129
6.	i. Home & Tribal Affairs ii. Forest, Fisheries & Wildlife	03-09-1998	130-139
7.	L.G. & R.D.D.	07-09-1998 08-09-1998 09-09-1998	140-146 147-152 153-163
8.	i. PHE ii. PE&D	10-09-1998	164-173
9.	C&W	14-09-1998 15-09-1998 16-09-1998 17-09-1998	174-180 181-187 188-200 201-213

PROVINCIAL ASSEMBLY OF N.W.F.P.

Tuesday the 11th August, 1998

1st sitting of PAC.

PHYSICAL PLANNING AND HOUSING DEPARTMENT

The Public Accounts Committee assembled at 10:20 A.M in the Conference Room of the Assembly Secretariat of NWFP Peshawar to examine the Audit Report on Accounts of Government of NWFP for the year 1995-96 pertaining to Physical Planning and housing Department. The following were present:-

PUBLIC ACCOUNTS COMMITTEE

- | | | |
|----|--|----------|
| 1. | Mr. Hidayatullah Khan Chamkani,
Speaker | Chairman |
| 2. | Haji Muhammad Adeel,
Deputy Speaker | Member |
| 3. | Mr. Ali Afzal Khan Jadoon, MPA | Member |
| 4. | Mr. Muhammad Bashir Khan Umerzai, MPA | Member |
| 5. | Mr. Farid Khan Toofan, MPA | Member |
| 6. | Mian Gul Asfandyar Amir Zeb, MPA | Member |
| 7. | Mian Iftikhar Hussain, MPA | Member |
2. Malik Naqibullah Khan, Minister for PP&H attended the meeting by special invitation.

Audit Department

1. Mr. S.M. Ayub,
Director.
2. Mr. Mutahir Shah,
Deputy Director.
3. Mr. Iftikhar Rahim,
Deputy Director.

Physical Planning and Housing Department.

1. Mr. Akhtar Munir Marwat,
Secretary.
2. Mr. Kamran Ali Qureshi,
Director General, PDA.
3. Mr. Jamshad Hussan,
Director General, PMU.
4. Mr. Fazali Rehman,
Director (Tech) PUDB.
5. Mr. Muhammad Saleem,
Project Director, KDA.
6. Mr. Muhammad Daud,
Project Director, HDA.
7. Mr. Dilawar Shah Roghani,
Director (legal), PUDB.
8. Mr. Fakhruz Zaman,
Director Finance, PUDB.
9. Mr. Abdur Rashid,
Director Finance, PDA

Finance Department.

Mr. Abdus Samad Khan,
Deputy Secretary.

Law Department.

1. Mr. Aziz Akhtar Chughtai,
Secretary.
2. Mr. Zia-ud-Din Khattak,
Additional Secretary.

Provincial Assembly.

1. Mr. Abdul Hameed Khattak,
Secretary.
 2. Mr. Muhammad Mushtaq,
Additional Secretary-II.
 3. Mr. Amanullah,
Deputy Secretary-I
3. The meeting commenced with recitation from the Holy Qura'n.
4. The Chairman, in his inaugural speech, welcomed the participants to the meeting. He threw light on the importance of Standing Committee. He said that in the democratic form of Government, much importance was attached to the Standing Committees. Recommendations formulated by this forum are sent to the House. He added that the most important amongst all the Standing Committees, was the Public Accounts Committee. This Committee examined/scrutinized the expenditure incurred by the Departments in respect of the funds approved by the Assembly. It acts like a judge between the Department and Audit, he said.
5. The Chairman told that full opportunity would be provided to all the Departments, Audit and Finance to argue their cases freely.
6. He clarified that the Committee did not have any biased opinion against any official/person, and would examine the paras without fear and favour. He said that any such impression/doubts may be dispelled.
7. He asked the Department that name of the person involved in irregularity, embezzlement or misappropriation etc may not be disclosed. He advised the Department not to conceal any embezzlement or irregularity. It was the responsibility of the Department to put forth such cases without any fear. He also advised the Audit Department that it should advance realistic arguments to plead case.
8. With regard to the decisions of the PAC, he regretted that certain Departments were lingering on the issues to create hurdles in implementing the decisions of the Committee House. The decisions were very clear and there was no bar on the

Departments to proceed under the E&D Rules against the Government Servants involved in irregularities.

9. The Chairman informed the Committee that on the directives of the PAC a sum of Rs.1,20,00,000/- had been recovered. The major amount had been recovered by the BOR. He said that this was the first time that recovery was started on the directive of the Committee. He placed his appreciation on record for the excellent work done by Board of Revenue.

10. He informed the Members, that the Chief Minister knowing the position of recovery, had appreciated the performance of the Committee Members and desired that his appreciation may be conveyed to them. The Chief Minister also desired that cases of all those Departments, who are reluctant to implement the decision of PAC may be sent to him for necessary action.

11. He stressed on the Department, that he decisions made by the PAC may be implemented in letter and spirit.

12. About the working paper, the Chairman regretted that despite repeated observation by the Committee, the Department failed to provide legible documents to the PAC.

13. As regard comments of the Finance Department on the working paper, the Chairman regretted that no exhaustive/elaborate comments were given. He said that Finance Department had patent remarks i.e. "the position may be explained to PAC or explain that why overpayment was made".

14. He observed that Finance Department was responsible for financial discipline and management amount all the Departments, should have given their detailed comments on the working paper. If such is the performance, then there does not seem any justification/necessity for spending the said document to Finance Department.

15. The Chairman also noted with grave concerned the absence of Secretary Finance from the PAC meeting without any intimation. He directed the representative of the Finance Department to convey his displeasure to him. He further directed that in future, Secretary Finance should himself attend the meetings of PAC. However, in case

of any exigency he should inform either the Chairman or Secretary Assembly and depute his Senior Officer to participate in the meeting.

16. Haji Muhammad Adeel, Deputy Speaker suggested that the Departments should submit a progress report on the decision made by the PAC at the meetings held at Abbottabad in 1997, and the Committee should review the progress before the present report. However, it was not agreed to because of the fact that it would effect the securitization of the report before the PAC.

PHYSICAL PLANNING AND HOUSING DEPARTMENT

D.P. 920 **Overpayment of Rs.0.278 Million.**

17. After long discussion by the Committee Members, Audit and Departmental Officers, it transpired that a gross irregularity had been committed. This irregularity was later on rectified by the competent authority by according technical sanction. This Committee was of the opinion that such practice should be stopped to avoid doubts and giving a free hand to the authorities towards ill practice. The Secretary of the Department also admitted the irregularity and assured the Committee that in future it would be very careful to avoid such type of irregularity. The Para was, therefore, recommended to be dropped.

D.P. 918 **Overpayment of Rs.2.065 Million.**

18. The para was discussed in detail. The main reliance was made on clause 12. This was the confirmed opinion of the Members that clause 12 did not apply to the circumstances of the present case because clause 12 was mainly used for unforeseen items. The Secretary of the Department and the Chief Engineer as well as Finance Department honestly stated that no loss had been accrued to the Government. Considering application of clause 12 in this case, the Committee was of the opinion that a Departmental enquiry should be conducted against the officer and find out as to whether it was a bonafide or malafide act on behalf of the concerned officer. The Department should apprise the Committee about finding of the enquiry within one month. As no loss accrued to Government, the para, was therefore, recommended to be dropped with the above observation.

D.P. 971 **Overpayment of Rs.0.158 Million.**

19. Originally the Administrative approval was for 22 paragolas which was later o reduced to 14 and again to 10. The rates were also enhanced. It was stated by the Department that in the administrative approval the sizes were very much present. In the circumstances it is quite clear that loss had accrued to the Government as calculated by the Audit Department the tune of Rs.1,57,550/-. The Committee directed the Department to effect recovery of the amount mentioned in the para within 3 months, failing which Departmental/criminal action may be taken against the official concerned. If the recovery was made good within the stipulated period then there should be no adverse entry int eh ACR of the officials.

20. This decision of the Committee will take effect after physical verification of the paragolas within one month. In case it was found that a loss had accrued to Government the recovery is effected accordingly, then para may be considered as dropped.

D.P. 972 **Overpayment of Rs.0.974 Million due to allowing incorrect higher rates.**

21. In view of plausible explanation of the Department supported by the documentary proof and satisfaction of the Committee that no overpayment had been made, the para was recommend to be dropped.

D.P. 973 **Overpayment of Rs.0.107 Million to change of BOQ.**

22. The Audit admitted the correction of the original BOQ and also very frankly that the audit para was based on unsigned piece of paper. Under the circumstances, the para was recommended to be dropped.

23. The Audit was directed that in future they should base their objection on authentic document.

D.P. 974 **Overpayment of Rs.3.39 Million due to allowing higher rates.**

24. Deferred till 13/08/1998 for production of bitumen rates of C&W Department.

D.P. 363 **Overpayment of Rs.0.091 Million.**

25. The Chief Engineer explained that the work was personally supervised by him. He in his categoric statement urged that he was ready to take oath that not a single penny was embezzled and have no loss accrued to the Government.

26. In view of his affirmation the para was recommended to be dropped.

27. the meeting was adjourned till 12/08/1998 at 10:00 A.M.

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

PROVINCIAL ASSEMBLY OF N.W.F.P.

Wednesday the 12th August, 1998

2nd sitting of PAC.

PHYSICAL PLANNING AND HOUSING DEPARTMENT

The Public Accounts Committee assembled at 10:30 A.M in the Conference Room of the Assembly Secretariat of NWFP Peshawar to continue examination of Audit Report on Accounts of Government of NWFP for the year 1995-96 pertaining to Physical Planning and housing Department. The following were present:-

Public Accounts Committee

- | | | |
|----|--|----------|
| 1. | Mr. Hidayatullah Khan Chamkani,
Speaker | Chairman |
| 2. | Haji Muhammad Adeel,
Deputy Speaker | Member |
| 3. | Mr. Ali Afzal Khan Jadoon, MPA | Member |
| 4. | Mr. Najmud-Din Khan, MPA | Member |
| 5. | Mr. Farid Khan Toofan, MPA | Member |
| 6. | Mian Gul Asfandyar Amir Zeb, MPA | Member |
| 7. | Mian Iftikhar Hussain, MPA | Member |
2. Malik Naqibullah Khan, Minister for PP&H attended the meeting by special invitation.

Audit Department

1. Mr. S.M. Ayub,
Director.
2. Mr. Mutahir Shah,
Deputy Director.

Physical Planning and Housing Department.

1. Mr. Akhtar Munir Marwat,
Secretary.
2. Mr. Kamran Ali Qureshi,
Director General, PDA.
3. Mr. Jamshad Hussan,
Director General, PMU.
4. Mr. Fazali Rehman,
Director (Tech) PUDB.
5. Mr. Dilawar Shah Roghani,
Director (legal), PUDB.
6. Mr. Fakhruz Zaman,
Director Finance, PUDB.
7. Mr. Abdur Rashid,
Director Finance, PDA
8. Mr. Faraz Akbar,
Project Director, MDDA.

Finance Department.

Mr. Abdus Samad Khan,
Deputy Secretary.

Law Department.

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

Provincial Assembly.

1. Mr. Abdul Hameed Khattak,
Secretary.
2. Mr. Muhammad Mushtaq,
Additional Secretary-II.
3. Mr. Amanullah,
Deputy Secretary-I
3. The meeting commenced with recitation from the Holy Qura'n.

D.P. 988 **Over payment of Rs.0.975 million due to allowing incorrect higher rates.**

4. The matter was discussed in detail. The Committee observed that the matter pertained to construction of roads and not tubewell/dugwell. The BOQ was very much clear. It was also contended by the audit that 50% increase in the quantity was made. Moreover, it came to the notice of the Committee that clause 12 was used not in bonafied way, especially in this case. There might be some sort of unforeseen excavation but not to the extent as agitated by the Department. The Finance Department contended that the Department had committed the irregularity. The Chairman agreed to the contention of Finance Department and gave benefit of doubt to the tune of 50%. Taking into account this contention, the Committee directed to recovery of half of overpayment and loss accrued to Government from Project Director, Deputy Director and Assistant Director on equal share who conducted this work.

5. The Department was directed to recover the said amount from the defaulting officer within 3 months failing which Departmental/criminal proceedings coupled with recovery may be intimated against them. If the recovery was made within the stipulated period, then no adverse entries in the ACRs should be reflected. Para stands. Progress be reported to PAC.

D.P. 984 **Misappropriation of Equipment costing Rs.0.150 million.**

6. It was contended by the Department that recovery had been effected. There was only arrear of Rs.4,000/- which was being deducted from the salary of the concerned official. The para was recommended to be dropped subject to verification by the Audit.

D.P. 977 **Suspected misappropriation of pipe costing Rs.0.183 million.**

7. The Department contended that full amount had been recovered. The para was recommended to be dropped subject to verification by the Audit within a week's time.

D.P. 919 **Non-recovery of Rs.2.347 million on A/C of mobilization advance and interest of Rs.0.305 million.**

8. As for as recovery of capital amount was concerned that had been verified by the Audit to have been recovered. But another question was raised by Haji Muhammad Adeel, Deputy Speaker, that 14% compound interest should have also been charged/recovered from the indolent. The Department had filed a certificate in the shape of directives from Asian Development Bank to the effect that no compound interest should be charged on mobilization advance.

9. Under the circumstances, the recovery of capital amount was enough, therefore, the Committee recommended that the para may be dropped.

D.P. 939 **I) Non-recovery of outstanding installments amounting to Rs.1.837 million from the allottees.**

II) Non-recovery of penalty of Rs.0.183 million from the defaulters.

10. The Department contended that 50% recovery had been effected and for the remaining amount the Secretary explained that the defaulter are of such area which is not so much attractive as compared to Peshawar, Abbottabad and Mansehera. Under the circumstances the Secretary of the Department ensured/promised that they would expedite the recovery within reasonable time.

11. As the explanation advanced by the Department was cogent, therefore, the para was recommended to be dropped with the directions that the Department should make sincere efforts for the recovery of the arrears.

D.P. 604 **Non-recovery of profit of Rs.0.770 million from land acquisition collector.**

12. The Department contended that profit had already been received and credited in the Government account. The para was recommended to be dropped with the direction that they should not deposit Government money in the private bank in future. They should strictly follow G.F.R.

13. The Government should issue instruction in this regard.

D.P. 981 **Non-recovery of loan liabilities (interest) of Rs.7.344 million from the local bodies and PUDB.**

14. The Department contended that recovery of the loans involved in the para was the responsibility of the Provincial Government and not of PUDP. The para was recommended to be dropped with the direction that the Department should take the case with Provincial Government to expedite the adjustment of the amount.

D.P. 959 **Non-recovery of Rs.0.177 million on account of supervision charges.**

15. The Department submitted a document showing that supervision charges at the rate of 10% had already been included in the rate as required in para 122 of CPWA Code. Subject to verification of the document the para was recommended to be dropped.

D.P. 964 **Non recovery of Rs.0.040 million from N.H.A.**

16. The Department contended that total amount had been recovered. The para was recommended to be dropped subject to verification by the Audit.

D.P. 954 **Loss/overpayment of Rs.0.150 million. Due to incorrect escalation.**

17. The documents, especially PC-I were perused which was approved by the PDWP. The Additional Secretary, Law admitted that PDWP was the competent forum in this respect.

18. The Committee directed that on previous occasion the PAC clearly directed that in future all contract agreements must be vetted by the Law and Finance Departments. The same ruling was repeated and the Department was directed to act according to the decision of PAC.

19. The para was accordingly recommended to be dropped.

D.P. 941 **Loss of Rs.0.389 million to the Government due to damage to store.**

20. The Audit conceded that the para should not have exhibited in the report. However, the Department explained that recovery in this case had already been ordered by the PAC in its last meeting. Inquiry Officer had been appointed by the Department to conduct inquiry and pin point the defaulting officer.

21. The Secretary of the Department ensured that enquiry would be finalized within 3 days.

22. The Committee directed that enquiry may be finalized within 3 days and recovery made within one month. Progress be reported to PAC. Mr. Farid Khan Toofan, MPA contended that the Audit should not have brought only this single para to PAC, but they should have reported all such paras on which action had not been taken by the Department. He was of the view that inclusion of the para in question in the Audit report was based on malafide intention.

D.P. 958 **Loss of Rs.0.078 million to authority due to non forfeiture of deposits.**

23. The Department contended that 3 Nos. plots of one canal each were surrendered by the allottees and the amount deposited by them was realized without forfeiture as ordered by the then Minister for PP&H. the authority is competent to relax the rules. The order of the Minister was perused, who had allowed to release the amount to 3 applicants. It was also contended by Department that the same plots were put to open auction and they fetched double price than the one returned to the then allottees.

24. The para was accordingly recommended to be dropped.

D.P. 962 **I) Loss of Rs.0.389 million to wasteful expenditures.**
II) Non-forfeiture of security deposit.

25. The contention of the Audit and the Department was discussed in detail. According to Secretary of the Department, the total scope of the work was changed by them being competent. The discretionary power was judiciously exercised for the reason that colossal amount was saved. PC-I was also perused, which contained construction of Bridges. The para was accordingly, recommended to be dropped.

D.P. 978 **Loss of Rs.0.389 million due to non recovery of outstanding stores..**

26. The Department contended that full amount had been recovered and produced challan in this respect. The para was recommended to be dropped subject to verification by the Audit within a week time.

D.P. 979 **Loss of Rs.0.389 million due to un-necessary postponement of authority dues.**

27. The Department contended the entire amount had been recovered and produced challans in support of their contention to the Audit. The Committee recommended that the para may be dropped being verified.

28. The meeting was adjourned till 13-08-1998 at 10:00 A.M.

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

PROVINCIAL ASSEMBLY OF N.W.F.P.

Thursday the 13th August, 1998

3rd sitting of PAC.

PHYSICAL PLANNING AND HOUSING DEPARTMENT

The Public Accounts Committee assembled at 10:30 A.M in the Conference Room of the Assembly Secretariat of NWFP Peshawar to continue examination of the Audit Report on Accounts of Government of NWFP for the year 1995-96 pertaining to Physical Planning and Housing Department. The following were present:-

Public Accounts Committee

- | | | |
|----|--|----------|
| 1. | Mr. Hidayatullah Khan Chamkani,
Speaker | Chairman |
| 2. | Mr. Ali Afzal Khan Jadoon, MPA | Member |
| 3. | Mr. Najmud-Din Khan, MPA | Member |
| 4. | Mr. Farid Khan Toofan, MPA | Member |
| 5. | Mian Gul Asfandyar Amir Zeb, MPA | Member |
| 6. | Mian Iftikhar Hussain, MPA | Member |
2. Malik Naqibullah Khan, Minister for PP&H attended the meeting by special invitation.

Audit Department

Mr. S.M. Ayub,
Director.

Physical Planning and Housing Department.

1. Mr. Akhtar Munir Marwat,
Secretary.
2. Mr. Kamran Ali Qureshi,
Director General, PDA.

3. Mr. Jamshad Hussan,
Director General, PMU.
4. Mr. Fazal Rehman,
Director (Tech) PUDB.
5. Mr. Dilawar Shah Roghani,
Director (legal), PUDB.
6. Mr. Fakhruz Zaman,
Director Finance, PUDB.
7. Mr. Abdur Rashid,
Director Finance, PDA
8. Mr. Faraz Akbar,
Project Director, MDDA.
9. Mr. Muhammad Daud,
Project Director, HDA.
10. Mr. Amin-ud-Din,
Director, W&S.
11. Mr. Muhammad Saleem,
Project Director, KDA.

Finance Department.

Mr. Abdus Samad Khan,
Deputy Secretary.

Law Department.

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

Provincial Assembly.

1. Mr. Abdul Hameed Khattak,
Secretary.
2. Mr. Muhammad Mushtaq,
Additional Secretary-II.
3. Mr. Amanullah,
Deputy Secretary-I

3. The meeting commenced with recitation from the Holy Qura'n.

D.P. 980 **Loss of Rs.0.074 million due to postponement of dues.**

4. The Department contended that entire outstanding amount had been recovered, subject to verification by the Audit, within a week's time, the para was recommended to be dropped.

D.P. 983 **Loss of Rs.0.605 million on Account of theft of pick up No. PRN 6924.**

5. The Department contended that purchase was made from M/S Toyota Frontier Motors being the sole distributions. The purchase was made at the rate fixed by Government. Hence no excess expenditure was incurred.

6. The vehicle while on duty in Phase-VI Hayatabad was taken away by some miscreant. Proper F.I.R. was lodged.

7. The para was recommended to be dropped.

D.P. 985 **Loss of Rs.1.567 million sustained due to un-necessary purchase of store.**

8. The para was discussed in detail. The inquiry report was perused, which transpired that two of the culprits had already expired. The Committee was of the opinion that on humanitarian grounds, heirs should not be punished. The Audit held that the bitumen was purchased in excess of the requirement and as such became unserviceable with the passage of time. As regards the Storekeeper, it was the unanimous opinion of the Committee that there was no misappropriation, shortage or leakage on his part and as such he could not held responsible.

9. Taken into consideration this fact, the para was recommended to be dropped.

D.P. 932 **Unauthorized deposits of .project funds amounting to Rs.72.955 million in Commercial Bank.**

10. The para was discussed in detail. It was held that apparently no loss had accrued to the Government. This fact was verified from the documents produced by the Department. It was, however, held that the manner in which the Department acted was clear cut violation of G.F.R. The Department was, therefore, warned to abstain from such

practice in future. No excuse would be acceptable again in this respect, the Committee warned. The para was, therefore, recommended to be dropped, subject to the above observation.

D.P. 928 **Non checking of transactions costing Rs.113.554 million due to non-availability of record.**

11. The Department conceded that record was missing. After discussion it transpired that in spite of the direction by previous PAC, till this day, the Department had failed to reconstruct the missing record. Any how the Department ensured that they would order enquiry against the official responsible for the record and would fix responsibility within 30 days. The Department was directed to submit finding to the enquiry report and produce the record to Audit for examination. Progress be reported to PAC. Para stands.

D.P. 955 **Irregular release of funds of Rs.66.722 million to PIUs.**

12. The same observation as per para 932.

D.P. 961 **Excess expenditure of Rs.0.075 million over and above the budget estimate.**

13. The Department contended that the expenditure on telephone calls, as pointed out by the Audit, pertained to the period, when the developmental work of Kanju Township Scheme was in full swing and the telephone was constantly used for the official business.

14. From the discussion it clearly transpired that ceiling of telephone calls had been crossed. However, it was contended by the Department that the amount alleged by the Audit had now been reduced to Rs.65,148/- because of revised budget.

15. Since it was a clear violation of the ceiling fixed by the Government, therefore, the Department was directed to recover the amount from the defaulting official within a period of 3 months, failing which Departmental/criminal proceedings may be initiated against the culprit. In case the amount was refunded in time, no adverse entry in the service record may be recorded.

16. It was decided that progress be reported to PAC. Para stands.

D.P. 965 **Non-surrendering of anticipated savings of Rs.14.090 million.**

17. The Finance Department admitted that funds were released at a belated stage and it was impossible for the Department to have spent the same. It was noticed that procedural irregularity had been committed by the Department, therefore, it was directed that such type of irregularities should not be repeated in future. Under the circumstances, the present irregularity was recommended to be condoned.

D.P. 966 **Un-warranted and un-economical expenditure of Rs.9.455 million.**

18. It was observed that, undoubtedly, certain irregularities as pointed out by the Audit, were committed, but the factum of tender etc was perfectly in order. The Department contended that they had rented the paver on fixed rate of Rs.75,000/- per month creditable to PDA. They further contended that previous paver had completed its life. The Department produced a letter of Director General, PDA to the effect that it would ultimately be shifted to Regi Lalma Scheme. The Department argued that the present price of the paver was in three time high.

19. In view of the above, the para was recommended to be dropped with the direction that the Department should avoid such irregularities in future.

D.P. 967 **Undue financial aid Rs.2.063 million on award of secured advance.**

20. The Finance Department admitted that secured advances were covered under the rules which supported the contention of the Department that they had given the said advances to avoid escalation. In view of the above the para was recommended to be dropped.

D.P. 968 **Extension of undue financial aid of Rs.0.906 million to the contractor.**

21. The Department contended that the work was stopped due to dispute of land with tribals and non availability of RCC Pipe in the store. Adequate quantity of pipes was not available in the market because the manufacturing factory was sealed by the Excise Department for non payment of sale tax, hence the contractor was not bound to wait till the decision by the Excise Department. The circumstances were such, which was beyond the control of the Department and the contractor.

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

D.P. 969 **Outstanding liabilities against Peshawar Municipal Corporation Rs.52.652 million.**

23. The Finance Department was directed to clear the outstanding liabilities of PDA. The PP&H Department was directed to vigorously peruse the case with Finance Department. Subject to the above observation, the para was recommended to be dropped.

D.P. 398 **Mis-classification of Rs.3.649 million.**

24. The Department contended that expenditure was incurred on the same project and only the scope of work was changed. The explanation of the Department being plausible, was accepted and the para was recommended to be dropped.

D.P. 982 **Irregular acceptance of addl: liability of Rs.2.511 million.**

25. The Department contended that the earnest money had been forfeited and the Department had exercised its discretionary powers by retendering the contract. In view of the above, the para was recommended to be dropped.

D.P. 986 **Irregular expenditure of rS.0.94 million due to escalation.**

26. The Department contended that no loss had accrued to the Government, except that 15 days notice, as pointed out by the Audit was not served. The enquiry report also supported this irregularity.

27. The Audit admitted that their only argument was about the factum of 15 days notice which was a procedural irregularity. The Department was directed to avoid such irregularities in future.

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

D.P. 989 **Un-due postponement on account of repayment of loan amounting to Rs.10.400 million including payment of interest thereon.**

29. The Department informed that a sum of Rs.31 lac had been recovered and further apprised as both the organs were under, PUDB, the Department assured that the remaining amount would be recovered/adjusted. The para was recommended to be

dropped with the direction that adjustment of the amount may be made within reasonable time.

D.P.1019 **Un-economical award of work with estimated cost of Rs.5.20 million without wide publicity in the press.**

30. The Department contended that there was an arrear of Rs.1,86,596/-. The Department assured that it would be recovered from KSB as per their documentary commitment.

31. The para was recommended to be dropped with the above observation.

D.P. 992 **Irregular issue of corrigendum costing Rs.13.921 million in the awards.**

32. The Department informed that the area was re-measured by the Acquisition Staff of PMU and was confirmed through the Deputy Commissioner, Peshawar. The arithmetical error in the award, as pointed out was to be corrected under the provision of section-61 of the Urban Planning Ordinance, 1978.

33. As the correction was within the competence of Land Acquisition Collector under section 61 of the NWFP Urban Planning Ordinance, 1978, therefore, the para was recommended to be dropped.

D.P. 974 **Overpayment of Rs.3.39 million due to allowing higher rates.**

34. After verification of the documents of C&W Department with regard to the rates of bitumen, the para was recommended to be dropped.

35. The meeting was adjourned till 17-08-1998 at 10:00 A.M.

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

PROVINCIAL ASSEMBLY OF N.W.F.P.

Monday the 17th August, 1998

4th sitting of PAC.

- 1. BOARD OF REVENUE.**
- 2. FOOD & AGRICULTURE DEPARTMENT.**

The Public Accounts Committee assembled at 10:30 A.M in the Conference Room of the Assembly Secretariat of NWFP Peshawar to examine the Audit Report on Accounts of Government of NWFP for the year 1995-96 pertaining to Board of Revenue, Food & Agriculture Departments. The following were present:-

Public Accounts Committee

- | | | |
|----|--|----------|
| 1. | Mr. Hidayatullah Khan Chamkani,
Speaker | Chairman |
| 2. | Mr. Farid Khan Toofan, MPA | Member |
| 3. | Mian Gul Asfandyar Amir Zeb, MPA | Member |
| 4. | Mian Iftikhar Hussain, MPA | Member |

Audit Department

1. Mr. Naimatullah Abid,
Director General.
2. Mr. Mutahir Shah,
Deputy Director.
3. Mr. Asif Khan,
Deputy Director.

Board of Revenue Department.

1. Mr. Zain Khan Khalil,
Secretary.
2. Mr. Shazada Khan,
Deputy Commissioner, Peshawar.

3. Mr. Farrakhsair,
Assistant Commission, Timergara.

Food & Agriculture Department.

1. Mr. Javed Alam Khanzada,
Secretary.
2. Mr. Yar Muhammad Khan,
Vice Chancellor, Agricultural University.
3. Mr. M.A Shuja,
Director General, Research.
4. Mr. Habibullah Khan,
Director, Food.
5. Dr. Arshad S. Malik,
Registrar, AVP.
6. Mr. Farzand Ali Jan,
Director, Finance.

Finance Department.

1. Mr. Abdul Siddique,
Additional Secretary-I.
2. Mr. Hassan Nasir Jamy,
Deputy Secretary.
3. Mr. Noorul Haq,
Deputy Secretary.

Law Department.

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

Provincial Assembly.

1. Mr. Abdul Hameed Khattak,
Secretary.
2. Mr. Muhammad Mushtaq,
Additional Secretary-II.

2. The meeting commenced with recitation from the Holy Qura'n.

BOARD OF REVENUE

3. At the outset of the meeting, the Chairman praised and appreciated the efforts made by the Departments, which resulted major recoveries of Rs.1,20,00,000/- in due deference of the decision of the PAC. The Chairman advised the Department to keep it up and try to recover the balance amount also as early as possible.

D.P. 135 **Non accountal of Rs.7.645 million realized on account of Fine/Land Revenue.**

4. The Audit reported that in the office of Deputy Commissioner, Peshawar it was noticed that a sum of Rs.7.645 million realized on account of fine and land revenue during 1991-92 was not exhibited in the cash book as required under the rules.

5. The Department explained that the amount in respect of fine and land revenue had been deposited in the treasury on daily basis. A consolidated statement in this regard duly reconciled with treasury Department was available. Moreover, the relevant record i.e. cash book was properly maintained.

6. The Finance Department contended that here should be a cash book maintained in the office of Collector/Deputy Commissioner regularly according to Treasury and General Financial Rules.

7. Under the circumstances, the para was recommended to be dropped with the direction that in future the Department should strictly follow the Treasury and General Financial Rules.

D.P. 151 **Un-necessary retention of Government money amounting to Rs.1.871 million in PLA.**

8. Para stands. The Committee observed that in the instant cast not only rules were violated but also the directive and decision of the DAC were totally ignored and the money was directly sent to National Highway Authority without depositing it in the Revenue Receipts. This was not an ignorable situation, therefore, the Department was directed to hold an enquiry within one month and report back to findings to the PAC without fail.

FOOD & AGRICULTURE DEPARTMENT.

9. while going through the working papers, the Committee appreciated the efforts of the Department for submitting the working papers in legible and presentable form.

D.P. 726 **Shortage in transit of 419.591 M.Ton of imported wheat and 558 empty gunny bags valuing Rs.1.186 million**

10. The para was discussed at length by the Hon'ble Members. Audit and the Department. Both the Director and Secretary of the Department submitted that not a single penny was paid for the deficit quantity and the matter was under dispute with the MINFA. The factum of the payment of money for the deficit of quantity was subject to verification by the Audit Department.

11. The para was recommended to be dropped subject to verification by the audit and with the observation that the Department should hold an enquiry as to whether any official of the Department on the dispatch or receipt ends, was responsible or not. Progress be reported to PAC.

D.P. 702 **(I) Loss of Rs.0.719 million due to irregular extension of old contract.**
(II) Loss of Rs.0.094 million due to extension of old contract.

12. The Audit reported hat in the office of the District Food Controller (R) Peshawar and Storage and Enforcement Officer, Peshawar the Following irregularities were noticed:-

- i) Contract for transportation of wheat from Punjab to PRC Nowshera for 1993-94 was awarded to M/S Aziz-ur-Rehman @ Rs.0.3999 per KM/per ton whereas rate of Rs.0.4500 per KM/M. Ton approved for 1992-93 were extended for 90 days which resulted into loss of Rs.7,19,182/-
- ii) Similarly, contact of the same contractor for 1993-94 @ of Rs.0.3975 per M. Ton/KM was approved on 14-06-1993 from Punjab to Peshawar. However, old rate of Rs.0.450 was allowed continuously for 90 days. This resulted in a loss of Rs.94,149/-.

13. The Administrative Secretary admitted that enquiry should be conducted and responsibility fixed as to why the earnest money was not forfeited.

14. After detailed discussion, the Department was directed that an enquiry as ordered by the DAC may be conducted and the amount of loss plus earnest money may be recovered within a period of three months from the official held responsible. Progress be reported to PAC. Para stands.

D.P. 729 **Non-production of distance certificate for payments amounting to Rs.1.230 million.**

15. The Department contended that payment was made on the schedule/maps furnished by the Survey of Pakistan. Moreover, no extra payment was made and the Department had strictly followed the shortest possible route. The para was recommended to be dropped subject to verification by the Audit.

D.P. 137 **Overpayment of Rs.0.346 million due to converting absence period into duty/leave.**

16. The Audit reported that in the Agriculture University of Peshawar overpayment of Rs.3,44,145/- was made to Doctor Raiz Ahmad and Doctor Alam Khan by converting their absence period into regular duty/leave period. The Department explained that clause 26 of the University Leave Rules provided clearly that faculty members were entitled leave with full pay for a period of two year during his whole service. The leave was granted on full pay to the teachers. Moreover, the syndicate leave rules considered both the officers on duty.

17. The PAC observed that the objection of the Audit may be quite relevant to some extent, but since the mater has finally been disposed of by the syndicate being a supreme body of the University, therefore, it was held that the issue may not be reopened. The para was recommended to be dropped with the direction that except in peculiar circumstances the irregularity referred to by the Audit should not be repeated in future.

D.P. 127 **Un-authorized payment of Rs.1.029 million mar-up to NBP.**

18. The Audit reported that the University of Agriculture paid Rs.1.029 million to N.B.P. on account of interest on loan of Rs.15.00 million obtained from the bank @ of 18% per annum. No budget provision was there for the payment of mark up on loan. The University paid the interest on loan from the Account Head-Pension Contribution. Audit observed that since the University was having sufficient balance of

Rs.20.57 million under Pension Contribution, the loan should have been taken from this very head.

19. The Department explained that last time the para was discussed in the DAC meeting held on 28-08-1996. During discussion documentary evidence regarding budget provision and approval of the syndicate were also shown to the Committee and para was dropped.

20. After sufficient deliberations it transpired that some technical irregularities were committed by the University which they also admitted. However, the Committee observed that there was a provision in the budget as well. The University would have suffered a lot of loss if they had resorted in the instant towards the technicalities, therefore, the para was recommended to be dropped subject to observation that they should not use this as a precedent.

D.P. 146 **Loss of Rs.0.082 million due to purchase of vehicles at higher rates.**

21. The main objection of the Audit was that the lowest bid was not accepted according to rule-19 of General Financial Rules. The Law Department pointed out that in such circumstances the Department was bound to have given reason for non acceptance of lowest rate. Although no such reason was given in writing but in view of the plausible explanation of the Department, the para was recommended to be dropped with the direction that in future the Department should given written reason for non-acceptance of lowest tender.

D.P. 136 **Un-authorized and wasteful expenditure of Rs.3.85 million on account of daily wages.**

22. The Department contended that in 1981 they had only 2 hostels and 462 students, whereas the para was taken in 1993-94 there were 9 hostels and 1192 students. The budget provision was available. Through schedule of new expenditure they have tried their best for the creation posts but as the students community being a sensitive one and to keep law and order situation intact the Vice Chancellor exercised his discretionary powers for employment on work charge basis, which was passed by the Finance and Planning Committee and approved by the syndicate. At the end the profit was calculated

it appeared that the discretion was judiciously exercised, the para was recommended to be dropped but once again it was directed that rules should be strictly followed in future.

D.P. 139 **Un-authorized expenditure of Rs.0.199 million.**

23. After discussion, violation of General Financial Rules was admitted by the Department. However, as explained by the Department that it was done to avoid agitation from the students, the para was recommended to be dropped with the observation that it should not be repeated in future.

D.P. 138 **Non-surrender of unspent balances of Rs.50.684 million.**

24. The PAC, directed that the unspent balance would have been surrendered deposited to the Government. Although certain reasons were offered by the Secretary of the Department but those reasons were not tenable in the presence of statute. Para stands.

D.P. 140 **Un-due financial burden due to grant of unpar-alleled scales to University employees.**

25. The Secretary of the Department straight away conceded the violation. The Vice Chancellor also admitted the violation but gave examples of other Universities, which were not tenable.

26. The PAC directed that recoveries should be effected from the concerned employees within a period of three months after pay fixation and proper calculation. Para stands. Progress be reported to PAC.

D.P. 147 **incurring of expenditure out of profit and non reimbursement of amount from Swiss Government.**

27. After due consideration the Committee directed that in case the Swiss Government reimburse the amount within 2 months, the para would be construed to have been dropped.

28. The meeting was adjourned to meet again on 18/08/1998 at 10:00 A.M.

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

PROVINCIAL ASSEMBLY OF N.W.F.P.

Tuesday the 18th August, 1998

5th sitting of PAC.

IRRIGATION DEPARTMENT

The Public Accounts Committee assembled at 10:30 A.M in the Conference Room of the Assembly Secretariat of NWFP Peshawar to examine the Audit Report on Accounts of Government of NWFP for the year 1995-96 pertaining to Irrigation Department. The following were present:-

Public Accounts Committee

- | | | |
|----|--|----------|
| 1. | Mr. Hidayatullah Khan Chamkani,
Speaker | Chairman |
| 2. | Haji Muhammad Adeel,
Deputy Speaker | Member |
| 3. | Mr. Farid Khan Toofan, MPA | Member |
| 4. | Mr. Ali Afzal Khan Jadoon, MPA | Member |
| 5. | Mian Iftikhar Hussain, MPA | Member |

Audit Department

1. Mr. Naimatullah Abid,
Director General.
2. Mr. S.M. Ayub,
Director.
4. Mr. Mutahir Shah,
Deputy Director.

Irrigation Department.

1. Mr. Ghulam Dastgir,
Secretary.

2. Mr. Aslam Saleem,
Chief Engineer.
3. Mr. Gulzar,
Supdt: Engineer.
4. Mr. Abdul Hameed Khan,
Chief Engineer, Development.
5. Mr. Raqib Khan,
Director, P&D.
6. Mr. Abdul Qayyum Khan,
Director, Small Dams.

Finance Department.

1. Mr. Abdus Samad Khan,
Additional Secretary.
2. Mr. Gul Zeb Khan,
Deputy Secretary.

Law Department.

Mr. Muhammad Shaukat,
Deputy Secretary.

Provincial Assembly.

1. Mr. Abdul Hameed Khattak,
Secretary.
 2. Mr. Muhammad Mushtaq,
Additional Secretary-II.
 3. Mr. Amanullah,
Deputy Secretary-I.
2. The meeting commenced with recitation from the Holy Qura'n.
 3. The Committee showed concern over the delay in the finalization of the action on the previous recommendation of the PAC. However, due to reshuffling in the Administration, the Committee expected better results in future.

D.P. 776 **Overpayment of Rs.0.667 million by taking excess measurement.**

4. The para was discussed at length by the Committee. On checking of the MB, it was found that 1,23,07,200/- cubic feet dewatering was done and the amount was accordingly paid for. Further, the MB revealed that excess measurement was taken by multiplying the quantity of water into 4. According to the nomenclature of the item “Bailing of water 4 time in a day” was one job. Therefore, by multiplying it into four times was contrary to the fact specially considered from the BOQ as well.

5. The Committee was of the view that excess payment had been established but the circumstances were such that the flow of water, almost practically some times was not possible to be very accurate, therefore, the Committee took lenient view and directed the recovery of half of the total excess amount, which comes to Rs.3,33,300/- from the officials concerned within a period of three months, failing which Departmental/criminal action may be initiated against them.

6. In case the payment was made in time, no Departmental/criminal action be taken and no adverse entry in the ACR be made, the Committee directed. Para stands. Progress be reported to PAC.

D.P. 737 **Overpayment of Rs.2.480 million to contractor due to less deduction of hire charges of road roller.**

7. On the request of the Department, the para was deferred till 19-08-1998 to ascertain as for how many hours the road rollers remained in use.

D.P. 772 **Overpayment of Rs.0.416 million due to allowing excess rates.**

8. The documents were presented by the Department and it was found that the composite rate was strictly followed. From the perusal of the documents it transpired that the contractor offered 3% below the scheduled rate. As the composite rate was strictly followed, therefore, the para was recommended to be dropped.

D.P. 778 **Overpayment of Rs.0.087 million made to contractor due to allowing higher rates.**

9. From detail discussion it transpired that Divisional Officer was not authorized to escalate the schedule rates, which was only within the competency of Advisory Committee. The Finance Department supported the contention of the audit

saying that preparation of estimates on market rate instead of composite schedule 1993 for a project in 1993-94 was irregular. The audit was of the view that deviation from approved rate was not justified and overpayment was established.

10. The Committee recommended that recovery may be made from the Divisional Officer within a period of 3 months, failing which Departmental/criminal action maybe initiated may be initiated against the official. However, if the recovery was made in time, then no action or adverse entry in the ACR be made. Para stands. Progress be reported to PAC.

D.P. 774 **irregular and unauthorized expenditure of Rs.0.650 million on purchase of vehicle 1300 CC Toyota Corolla Car.**

11. The Committee observed that minor irregularity was committed by the Department and proper procedure for withdrawal of funds by the Chief Engineer should have been adopted. The Department was directed to be careful future and not repeat the irregularity.

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

D.P. 764 **Irregular and un-economical expenditure of Rs.1.300 million and over-payment of Rs.0.024 million.**

13. The Committee observed that inspite of the fact that the arguments put forth by the Audit about the execution of work without technical sanction was quite correct. But the Department contended that the then XEN was honest person, who had since been retired, had frankly admitted the adjustment of Rs.23,000/-. Under the circumstances taking lenient view, the Committee recommended that the para may be dropped and the Department was directed not to violate the rules in future. Moreover, this para will not be quoted as precedent in any case.

D.P. 739 **Mis-appropriation of 95191 cft stones costing Rs.0.666 million.**

14. The Audit reported that in Paharpur Irrigation Division, balance of 95161 cft stones was required to be available in the stock register, but instead, there was no such balance available, this resulted a loss of Rs.6,66,337/-.

15. At the DAC level it was contended by the Department that balance was available in the second stock register but the same was not produced. The Committee was

informed that the concerned officials were charge sheeted for non production of the register in accordance with the directives of DA.

16. The second stock register was produced before the PAC whereas the first one was not available. From the perusal of that stock register, it clearly showed that all the entries herein were made at one time. Haji Muhammad Adeel, Deputy Speaker pointed out that the entries made were not in sequence. The register started from September, 1995 the second entry was of October, and the 3rd was August of the same year. This fact made it very dubious.

17. Under the circumstances the Committee felt, that a photo copy of the register be kept in the PAC Cell.

18. In view of the above, the Committee directed that a sum of Rs.6,66,337/- as over payment made, may be recovered from the defaulting officials. i.e. the Divisional Officer, SDO, Sub-Engineer and the Accountant on equal share within a period of three months, failing which Departmental/criminal action coupled with recovery may be initiated against them. In case the amount was recovered in time, no Departmental action may be taken and no adverse entry in the ACR be recorded. Para stands. Progress be reported to PAC.

D.P. 757 Suspected mis-appropriation of funds amounting to Rs.0.304 million.

19. The Committee observed that although the Superintending Engineer of the Department had totally violated the rules, by not calling tenders through press. The Department pleaded that it was an old practice. However, the Superintending Engineer concerned contended on solemn affirmation that this amount was spent on the repair as the requirement was urgent, therefore, they failed to comply with the prescribed rules. The Committee observed that as the official had straight away admitted the facts, therefore, taking a lenient view, the para was recommended to be dropped. Moreover, the Department was directed to be careful in future and not to violate the rules in any way. This leniency of the Committee may not be taken as precedence.

General

20. The Committee directed that in future every advertisement must be given in National Daily Newspaper. Moreover, the Information Department was directed that advertisement received from a Department must be published within a week's time, otherwise the Department would be at liberty to give the same to press directly.

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

PROVINCIAL ASSEMBLY OF N.W.F.P.

Wednesday the 19th August, 1998

6th sitting of PAC.

IRRIGATION DEPARTMENT

The Public Accounts Committee met 10:30 A.M in the Conference Room of the Assembly Secretariat of NWFP Peshawar to continue examination of the Audit Report on Accounts of Government of NWFP for the year 1995-96 pertaining to Irrigation Department. The following were present:-

Public Accounts Committee

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

Audit Department

1. Mr. Naimatullah Abid,
Director General.
2. Mr. S.M. Ayub,
Director.
3. Mr. Mutahir Shah,
Deputy Director.

Irrigation Department.

1. Mr. Ghulam Dastgir,
Secretary.

2. Mr. Aslam Saleem,
Chief Engineer.
3. Mr. Gulzar,
Supdt: Engineer.
4. Mr. Nawab Khan
Supt: Engineer.
5. Mr. Abdul Hameed Khan,
Chief Engineer, Development.
6. Mr. Raqib Khan,
Director, P&D.
7. Mr. Abdul Qayyum Khan,
Director, Small Dams.
8. Mr. Aman Gul Khattak,
D.P.D.

Finance Department.

1. Mr. Abdus Samad Khan,
Additional Secretary.
3. Mr. Gul Zeb Khan,
Deputy Secretary.

Law Department.

Mr. Muhammad Shaukat,
Deputy Secretary.

Provincial Assembly.

1. Mr. Abdul Hameed Khattak,
Secretary.
 2. Mr. Muhammad Mushtaq,
Additional Secretary-II.
 3. Mr. Amanullah,
Deputy Secretary-I.
2. The meeting commenced with recitation from the Holy Qura'n.

D.P. 737 **Over Payment of Rs.2.480 million to contractor due to less deduction of hire charges of road roller.**

3. The Department produced documents regarding the hours in which Road Rollers were used.

4. Subject to verification by the Audit the timing/hours in which Road Rollers were used, the para was recommended to be dropped.

D.P. 758 **Mis-appropriation of funds amounting to Rs.0.493 million.**

5. The Department admitted deviation from rules, but contended that they had to accede to the public demands and the public representative were very keen about the job to be executed immediately. Therefore, under the circumstance they did not follow the rules properly.

6. Sine no loss was accrued to the Government, therefore, the Committee recommended that the para may be dropped with the observation that in future rules should be strictly followed.

D.P. 768 **Mis-appropriation and un-authorized payment of Rs.1.470 million.**

7. It was contended by the Department that Rs.3.8730 million were allocated for two works. The work commenced w.e.f. 19-11-1990. Due to lack of funds, the scheme was reduced to Rs.24 lac. The delay occurred due to the circumstance which were in no way intentional. The Committee considered the arguments of the Department plausible and, therefore, recommended that the para may be dropped.

D.P. 749 **Loss of Rs.1.747 million to Government to non-disposal of stores.**

8. The Committee observed that in April 1996, direction was given by DAC for the disposal of store articles within 3 months, and inspite of inordinate delay, the directive was not complied with.

9. This state of affair was noted by the Committee with grave concern, but the Secretary of the Department had assured and requested for further maximum period of 3 months for the disposal of the articles through open auction.

10. In view of the above the para was recommended to be dropped with the direction that in future PAC will take serious view in such situation.

D.P. 753 **Loss of Rs.0.174 million to Government due to allowing exorbitant rates.**

11. The same decision as per para 778.

D.P. 755 **Loss of Rs.0.242 million to Government due to cancellation of rates of a contractor.**

12. In the first instance, it was contended by the Department that earnest money had been recovered from the contractor. During discussion they took another U-turn saying that the earnest money was returned to the contractor on medical grounds. Moreover, they contended that they had already ceased the money equal to his earnest money from the contractor from his another contract. This plea did not appeal to the Committee as the point was that why earnest money was returned to the contractor on medical grounds.

13. After detailed deliberation, the PAC directed that recovery of earnest money should be effected from the officer within a period of three months, who had released the same failing which Departmental/criminal action may be taken against him. However, the officer is at liberty to settle his accounts with contractor para stands. Progress may be reported to PAC.

D.P. 756 **Loss of rs.1.926 million to Govt: due to rejection of rates of a contractor.**

14. The Department contended that tender was not accepted and the work was retendered after observing the codal formalities. There was no legal bar for the participation of a person in the retender.

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

D.P. 717 **Loss of Rs.0.942 million to Govt: due to change/revision in special rates.**

16. The Secretary of the Department admitted the irregularity.

17. The same decision as per para 778.

D.P. 727 **Loss of Rs.0.541 million to Govt: by showing excessive estimate on B.O.Q/NIT.**

18. The Law and Finance Department both agreed that under the rules i.e. G.F.R. & B&R code, technical sanction should be taken before the execution of the actual work. In the instant case the same procedure was adopted, therefore, para was recommended to be dropped.

D.P. 732 **I) Loss of Rs.0.053 million sustained by the Govt: due to retendering work**

II) Non-forfeiture of E/money amounting to Rs.0.002 million.

19. As the Department contended that NIT pertained to the year 1989 and no work order was issued to the contractor inspite of the fact that 9 months elapsed for the reason that funds were not available. The contractor requested that site of work may be indicated and work order should be issued or alternatively, the earnest money should be returned to him. The Department had no other alternative but to return the money. After receipt of funds, the work was retendered, it was contended by the Department.

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

D.P. 745 **Loss of rs.0.397 million to Government due to allowing higher rates under clause-12.**

21. The Committee observed that enquiry was ordered by the DAC, wherein XEN was found responsible and accordingly charge sheeted. The only point which was argued by the Chief Engineer was about the distance which was calculated and the difference was only 9/10 KM, but the enhanced rate for 33% was not warranted/justified. Still the PAC was of the view that benefit of distance may be given only on realistic basis.

22. Under the circumstances the PAC recommended that a sum of Rs.3 (three lac) may be recovered from the XEN concerned within a period of 3 months, failing which Departmental/criminal action coupled with recovery may be taken against him.

23. If the recovery was made in time no Departmental/criminal action and no entry in the ACR may be reflected against him. Para stands. Progress be reported to PAC.

D.P. 752 **Loss of Rs.0.062 million to Government due to allowing exorbitant rates.**

24. The same decision as per para 778.

D.P. 760 **Loss of Rs.1.632 million to the Government due to allowing special rates under clause-12 of C/agreement.**

25. The Secretary of the Department contended that in the instant case there was change in the design because there was some additional haulage. Moreover, the material was to be brought from places other than ROW, and duly approved by the donor agencies.

26. Under the circumstances the para was recommended to be dropped.

D.P. 762 **Loss of Rs.0.634 million to Government to un-serviceable bitumen.**

27. The Department explained that enquiry had been conducted and accordingly XEN was held responsible. According to the enquiry report the quantity of bitumen was not 74 tons rather it was 54 tons amounting to Rs.4,65,407/-.

28. The Committee, after detailed discussion, recommended that Rs.4,65,407/- may be recovered from the XEN concerned within a period of 3 months, failing which Departmental/criminal action coupled with recovery maybe initiated against the concerned officer.

29. In case recovery was made in time no Departmental action be taken and no adverse entries in the ACR be reflected. Para stands. Progress may be reported to PAC.

D.P. 767 **Loss of Rs.0.170 million to Government due to award of AOM&R work on exorbitant rates.**

30. As recommended by the Finance Department the Committee directed that warning maybe issued to the concerned officer for the irregularity.

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

D.P. 765 **Loss of Rs.1.050 million to Government on account of consultancy charges due to non-completion of work within the stipulated period.**

32. The Department admitted that delay in work was partly made by the contractor. But according to rules, the Chief Engineer taking into account certain facts

like non-availability of machinery and weather, was competent to give extension, in the instant case, the Chief Engineer had given cogent reasons which were also supported by the employer.

33. Under the circumstance the para was recommended to be dropped.

D.P. 775 **Loss of Rs.0.152 million to Government due to non-imposition of fine.**

34. It was contended by the Department that the contractor was penalized for the first time and his security was forfeited but still there was a balance of Rs.54,675/-. The Department admitted that XEN exceeded his power.

35. The para was recommended to be dropped subject to verification/reconciliation of the figures by Audit.

D.P. 779 **Loss of Rs.0.217 million to Government due to allowing exorbitant.**

36. The same remarks as per para 778.

37. The meeting was adjourned till 20/08/1998 at 10:00 A.M.

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

PROVINCIAL ASSEMBLY OF N.W.F.P.

Thursday the 20th August, 1998

7th sitting of PAC.

IRRIGATION DEPARTMENT

The Public Accounts Committee assembled at 10:30 A.M in the Conference Room of the Assembly Secretariat of NWFP Peshawar to continue examination of the Audit Report on Accounts of Government of NWFP for the year 1995-96 pertaining to Irrigation Department. The following were present:-

Public Accounts Committee

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|----|--|----------|
| 1. | Mr. Hidayatullah Khan Chamkani,
Speaker | Chairman |
| 2. | Haji Muhammad Adeel,
Deputy Speaker | Member |
| 3. | Mr. Farid Khan Toofan, MPA | Member |
| 4. | Mian Iftikhar Hussain, MPA | Member |
| 5. | Mian Gul Asfandyar Amir Zeb, MPA | Member |

Audit Department

1. Mr. Naimatullah Abid,
Director General.
2. Mr. S.M. Ayub,
Director.
3. Mr. Mutahir Shah,
Deputy Director.

Irrigation Department.

1. Mr. Ghulam Dastgir,
Secretary.

2. Mr. Aslam Saleem,
Chief Engineer.
3. Mr. Gulzar Khan,
Supdt: Engineer.
4. Mr. Hizbullah Gandapure
Supt: Engineer, S.I.S, Peshawar.
5. Mr. Abdul Hameed Khan,
Chief Engineer, Development.
6. Mr. Raqib Khan,
Director, P&D.
7. Mr. Abdul Qayyum Khan,
Director, Small Dams.
8. Mr. Aman Gul Khattak,
D.P.D. PHLC.

Finance Department.

Mr. Abdus Samad Khan,
Additional Secretary.

Law Department.

Mr. Muhammad Shaukat,
Deputy Secretary.

Provincial Assembly.

1. Mr. Abdul Hameed Khattak,
Secretary.
2. Mr. Muhammad Mushtaq,
Additional Secretary-II.
3. Mr. Amanullah,
Deputy Secretary-I.
2. The meeting commenced with recitation from the Holy Qura'n.

D.P. 718 Irregular/un-authorized payment of Rs.1.148 million on behalf of Project Director Pehure High Level Canal.

3. The Committee observed that apparently there seemed no deviation from the rules because the items purchased were duly advertised/tendered.

4. Under the circumstances, the para was recommended to be dropped.

D.P. 494 Irregular and Un-economical expenditure of Rs.3.153 million on quotation basis.

5. The para was discussed in detail and violation of G.F.R. was established.

During the course of discussion the Department contended that :-

- (a) certain work was below the amount prescribed for tender;
- (b) earnest money of six contractors were forfeited;
- (c) the work was carried out on the order of the then Minister for Irrigation.

6. Mr. Farid Khan Toofan, the then Minister for Irrigation admitted the fact that good quantity of work was started on the public demand.

7. The Committee was of the opinion that here was no continuous emergency as alleged by the Department. However, keeping in view the equitable aspect of the case the Committee recommended that Rs.one lac may be recovered from the official concerned for violating Financial Rules.

8. The Committee further directed the Department to desist from such like practice in future and strictly follow the G.F.R.

D.P. 731 Irregular and un-authorized expenditure of Rs.0.051 million.

9. The Department contended that necessary quotations for the repair of vehicle were properly called through newspaper i.e. Daily Mashriq. As regards competency of the Divisional Officer, the Department explained that ex-post facto sanction had been obtained from the competent authority.

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

D.P. 736 Wasteful expenditure of Rs.0.074 million on video films.

11. The Department admitted the version of the audit and stated that they had ordered an enquiry and accordingly charge sheet had been prepared. The Department had brought all the videos before the PAC. The Committee was of the view that the Department must have spent the amount in accordance with the proper procedure.

12. After detailed discussion, the Committee directed the Department to expedite disciplinary action and submit the report to PAC within 3 months. The para stands. The Committee also directed that Chief Secretary being authorized officer, may serve charge sheet on the accused official and expedite disciplinary proceedings.

D.P. 741 Irregular expenditure of Rs.2.014 million on the flood damages work.

13. The Department contended that the Chief Engineer was authorized to accord administrative approval and the whole amount was re-imbursed to the Federal Government by the Donor Agency. Moreover, it was explained that the procedure was strictly followed.

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

D.P. 746 Un-justified and doubtful expenditure of Rs.13.871 million on the emergency protection of spurs.

15. The Department explained that the amount involved in the para had already been included in para 638 of Auditor General Report for the year 1994-95. The said report had already been discussed by the PAC on 11/08/1997 at Abbottabad and incorporated in the PAC report adopted by the Assembly on 21/11/1997.

16. The Committee noted with concern that the Department failed to implement the decision of the PAC after the lapse of almost one year.

17. The Committee directed the Department once again that the PAC decision must be implemented with any further delay. Para stands. Progress be reported to PAC.

D.P. 750 Infructuous of Rs.0.671 million.

18. It was contended by the Department that an amount of Rs.6,51,415/- was paid to WAPDA for extension of transmission line and energizing of some dug wells.

19. The Department was directed to vigorously peruse the case with WAPDA. With the above observations, the para was recommended to be dropped.

D.P. 766 **1. Un-economical expenditure of Rs.22.655 million without wide publicity.**

2. Un-authorized payment of Rs.0.037 million to weekly naeem.

20. It was contended by the Department that there were 27 different works and the para pertained to the year 1988. The Department explained that Director Information was requested 5 time for advertisement of the tender in the press, but on one pretext or the other he returned the same. Therefore, the XEN was performed to float the same in local weekly. It was further explained that out of 27 works, 8 were duly advertised in the national press i.e. the Muslim Newspaper dated 03/11/1989 and about the rest, sanction was given by the competent authority i.e. Chief Engineer. Out of these works, found were provided by the foreign donors for 6 works and expenditure was incurred according to their requirement and terms of contract. Moreover the whole r-imbusement was made by the donors.

21. The Committee observed that the previous observation of PAC given on Draft Para 619 (94-95) was clear in this respect and directed that an Inter Departmental Inquiry should be conducted as to why the Director Information failed to advertise the tender in the press on the repeated requests of XEN and to pin point that who were at fault either Director Information or XEN and fix responsibility. The Inquiry Committee should be constituted by the Secretary S&GAD consisting of senior representative of the Law, Finance, Audit and Irrigation Departments. The Inquiry Report should be finalized and sent to Public Accounts Committee within a period of three months. Para stands.

D.P. 734 **Irregular/un-economical expenditure of Rs.13.130 million without wide publicity in the press.**

22. The Secretary of the Department admitted that no doubt codal formalities for tender were not properly observed but the case was really of grave emergency and any wastage of time would have caused colossal damage. This fact was further confirmed by the re-imbusement made by Agriculture Development Bank.

23. Taking into state forward admission of the Secretary with regard to irregularity, the para was recommended to be dropped but the Department was directed not to repeat such irregularity in future to all possible extent.

D.P. 773 **Irregular expenditure of Rs.68.732 million without the approval of the Chief Engineer and technical sanction.**

24. The same remarks as per pra 746.

D.P. 744 **Overpayment of Rs.0.034 million to the contractor due to allowing incorrect rates.**

25. The Committee observed that overpayment had already been conceded to in the DAC meeting. Even before the PAC, the Department admitted the same. The Secretary of the Department, explained that hectic efforts to recover the amount from the contractor through Collector as land revenue were being made. However, the Audit was of the view that overpayment was made by the Divisional Officer and recovery should be effected from the official responsible for the lapse, and he is at liberty to settle the accounts with the concerned contractor.

26. The Committee, after detailed discussion recommended that recovery may be made from the contractor through respective Deputy Commission as land revenue within a period of three months. The Deputy Commissioner was also directed to expedite the recovery from the said person. However, in case the amount was not recovered from the concerned contractor within the stipulated period, the said amount may be effectuated from the concerned Divisional Officer within 15 days positively failing which Departmental/criminal action may be initiated against him. Para stands. Progress be reported to PAC.

D.P. 742 **1. Non-recovery of penalized amount of Rs.0.050 million**
2. Non-recovery of store worth Rs.0.008 million.

27. The Department explained that a sum of Rs.20,962/78 had been recovered from the contractor and efforts were made to recover the balance amount of Rs.44,999/78 through Civil Administrator.

28. The Committee recommended that the balance amount may be recovered from the contractor within a period of 3 months through Deputy Commissioner concerned. In case the amount was not recovered within the stipulated period, the same may be recovered from the concerned XEN within a further period of 15 days, failing

which Departmental/criminal action will be taken against him. Progress be reported to PAC. Para stands.

D.P. 748 **Un-authorized utilization of M&R grant amounting to Rs.0.161 million.**

29. After detailed discussion, the Committee recommended that the para may be dropped with a warning that such irregularity may not be repeated in future.

D.P. 747 **Un-authorized drawl of pay & allowances of 12 drivers amounting to Rs.0.287 million.**

30. The para had already been discussed in the PAC meeting in August, 1997 and was dropped, therefore, no action was required.

D.P. 761 **Irregular purchase of vehicles costing Rs.1.419 million.**

31. The Committee observed that gross irregularity was committed by the Department. They were directed to avoid such type of irregularity. The Audit objected that the vehicle was not available. The para was dropped subject to physical verification of the vehicle by the Audit. Moreover, the Department was directed to obtain the approval of PDWP within three months and progress be reported to PAC.

D.P. 799 **Irregular and un-justified expenditure of fRs.0.130 million as hire charges of private vehicles.**

32. The Department produced technical sanction to the Committee which was verified by the Audit.

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

D.P. 733 **Non-production of auditable record and support of foreign exchange of Rs.34.337 million.**

34. The Finance Department supported the reply of the Administrative Department saying that it was convincing and based on facts.

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

D.P. 713 **Non-production of auditable record regarding foreign exchange of Rs.160.57 million.**

36. The Audit reluctantly agreed to with the explanation given by the Department because even the Government of Pakistan as contended by the Secretary, could not question the manner, the jobs were to be executed.

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

D.P. 735 **Irregular grant of higher pay/salary to the staff of NESPAK Consultants.**

38. Subject to verification of the bids documents/agreement NESPAK, by Audit, the para was recommended to be dropped.

D.P. 797 **Un-economical and irregular purchase of spare parts for HYDEL Station worth Rs.1.078 million.**

39. The Department contended that this was just a misclassification and the Finance Department had approved the expenditure.

40. The para was, therefore, recommended to be dropped.

41. The meeting was adjourned till 24/08/1998.

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

PROVINCIAL ASSEMBLY OF N.W.F.P.

Monday ,the 24th August, 1998

8th sitting of PAC.

EDUCATION DEPARTMENT

The Public Accounts Committee assembled at 10:00 A.M in the Lounge of Cereena Hostel, Swat, examine the Audit Report on the Accounts of Government of NWFP for the year 1995-96 pertaining to Education Department. The following were present:-

Public Accounts Committee

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|----|--|----------|
| 1. | Mr. Hidayatullah Khan Chamkani,
Speaker | Chairman |
| 2. | Haji Muhammad Adeel,
Deputy Speaker | Member |
| 3. | Mr. Farid Khan Toofan, MPA | Member |
| 4. | Mian Iftikhar Hussain, MPA | Member |
| 5. | Mian Gul Asfandyar Amir Zeb, MPA | Member |
| 6. | Najmuddin, MPA | Member |
| 7. | Mr. Muhammad Bashir Khan Umerzai, MPA | Member |

Audit Department

1. Mr. Naimatullah Abid,
Director General.
2. Mr. S.M. Ayub,
Director.
3. Mr. Dost Ali Shah,
Deputy Director.

Law Department.

Mr. Muhammad Shaukat,
Deputy Secretary.

Finance Department.

Mr. Abdul Siddique,
Additional Secretary.

Education Department.

1. Maj:(Rtd) Sahibzada Muhammad Khalid,
Secretary.
2. Mr. Muzaffar Ali Afridi,
Additional Secretary.
3. Mr. Ghulam Mustafa,
Director, Primary Education, NWFP.
4. S. Abu Saeed Bacha,
Director, Secondary Education, NWFP.
5. Mr. Muhammad Khan,
Assistant Director, Audit,
Education Department.

Provincial Assembly.

1. Mr. Nazir Ahmad,
Additional Secretary-I.
2. Mr. Muhammad Mushtaq,
Additional Secretary-II.
3. Mr. Amanullah,
Deputy Secretary-I.
2. The meeting commenced with recitation from the Holy Qura'n.
3. After opening remarks of the Chairman the Committee took up for consideration the Draft Audit Paras pertaining to the Education Department. While going through the working papers furnished by the Department, the Committee noted with concern that the same were not in presentable form and directed the Department to submit legible, neat and clean documents to the Public Accounts Committee in future.

4. Moreover, the Committee noted with concern that the Department failed to implement the decision of the PAC given in its last meeting, as out of recoverable amount of Rs.59,79,484/- they had recovered only a sum of Rs.3,78,848/44.

D.P. 44 **Embezzlement of Rs.0.487 million on account of arrear of pay.**

5. The para was discussed in detail. The Administrative Secretary admitted that he had newly taken over the charge and requested that he may be allowed to be assisted by the Directors which was agreed to by the Committee.

6. The Department explained that the total amount drawn on account of advance increment was Rs.5,07,299/- Actual payment of Rs.1,69,486/- had been made and the rest of amount of Rs.8,20,505/- had been misappropriated. The Department admitted the embezzlement.

7. The Committee took a very serious view of the fact that inordinate delay has been shown in initiating/finalization of enquiry proceedings without any plausible reason. According to the Department, the final report of the enquiry was given to them almost three days back. It was again felt very strange by the PAC that inspite of the fact that the Department admitted the misappropriation and pin pointed the culprits, they were not been suspended even till today as explained by the Department.

8. The Committee directed that the amount involved should be recovered from the responsible persons including the DAO on equal share within a period of three months.

9. The Committee also directed that beside recovery the Department should initiate criminal proceedings against the culprits.

10. Almost all the members expressed that in every such type of deal, the major role was played by the DAO. The Committee directed that A.G., should initiate action against the DAO accordingly. Progress may be reported to PAC. Para stands.

D.P. 573 **Embezzlement of Rs.0.143 million due to excess drawal of pay of School Staff.**

11. The para was discussed in detailed. The Department admitted that misappropriated amount was more than that one as shown by the Audit in eh DP.

According to the Department, huge amount had already been recovered. Moreover, against the balance amount some of the recovery was being made according to rules from the pay of the officials.

12. The Committee directed that recovery may be verified by the Audit. Moreover, the Committee stressed on the point that it was not a good practice that a man misappropriation the Government money and if he was apprehended later on after some time, then he was got free without any punitive action.

13. The Committee directed that criminal action should also be initiated against the culprits. The Finance Department objection in respect of internal Audit was also very pertinent and disciplinary action should also be initiated against the official who carried out the internal Audit, as to why they failed to point out the embezzlement of such a huge amount. The para stands. Progress be reported to PAC.

D.P. 37 **Mis-appropriation of public money amounting to Rs.0.690 million.**

14. Due to plausible explanation of the Department, the para was recommended to be dropped but the Department should not repeat such type of irregularity.

D.P. 577 **Mis-appropriation of Rs.0.112 million on account of fraudulent drawal.**

15. The Department explained that enquiry was conducted and according to them huge amount had been recovered and there was a balance of Rs.4,627/-, recovery of which was in progress. The Secretary assured the PAC that he would take serious action against the persons involved in such cases.

16. In view of the above, the para was recommended to be dropped subject to verification by the Audit.

D.P. 47,48 & 49 **Mis-appropriation of Rs.0.133 million and non production of actual payee receipt amounting to Rs.12.209 million.**

17. With regard to para 47, the Department contended that the man had been transferred and subsequently suspended. Moreover, enquiry had been initiated and criminal case registered against him.

18. After detailed discussion, the PAC recommended that the amount should be recovered from the culprit within a period of three months irrespective of the criminal and other proceedings, which have already been initiated against him. The amount should be recovered as land revenue. The Para stands. Progress be reported to PAC.

19. With regard to para 48 & and 49, the Department contended that record was collected, which could be checked by the Audit. The PAC directed that audit should check and verify the record. Para stands. Progress be reported to PAC.

D.P. 111 **Mis-appropriation for Rs.1.317 million on account of Construction materials.**

20. The para was recommended to be dropped subject to verification by the Audit with the direction that the Department should strictly follow the rules.

D.P. 51 **Mis-appropriation of Rs.0.690 million.**

21. The para was discussed in detail. The Department admitted the mis-appropriation to the extent of Rs.71,645/-. It was contended that a sum of Rs.18,967/- was still to be recovered.

22. The PAC directed that punitive action should be taken against the indolent. The Audit observation that the case pertained to 1985 and the amount recovered was deposited in 1988, therefore, verification was a must. The Audit was directed to verify the recoveries and outstanding balance.

23. Moreover, the Finance Department had raised a strong objection to the factum that detailed procedure as provided in Treasury Rules, 1977, was not being complied with by the Department. Therefore, the Department was once again directed to strictly follow the laid down procedure.

D.P. 25 **Suspected mis-appropriation of Rs.0.058 million due to less disbursement.**

24. The main audit objection was that if the payment was made in October, 1993, why it was not brought to the notice of Audit Officer, which was done in February, 1995. The Department admitted high slackness on their part, but took the plea that it was not intentional. According to Finance Department the system which the Department had adopted about the disbursement of pay was not at all conformity with the rules. Specific

instructions have been issued by the Finance Department on different occasions that Acquaintance Roll of the previous month must be produced for disbursement of the pay of the current month. The Committee directed the Department to follow the procedure strictly in future otherwise this lame excuse would not be accepted.

25. Para was recommended to be dropped subject to verification of Acquaintance Roll.

D.P. 58 Suspected mis-appropriation of public money worth Rs.0.028 million.

26. The Department conceded that the amount was mis-appropriated and was drawn through demand bills and the enquiry officer had pin pointed the accused. In the light of the above admission of the Department, the Committee recommended that the Department should recover the amount from the accused official within three months and criminal case may also be initiated against the responsible person alongwith Departmental serious action for awarding major penalties to the accused officials in order to avoid such type of case in future. Progress be reported to PAC. Para stands.

D.P. 28 Suspected mis-appropriation of Rs.0.025 million on account of pay and allowances.

27. After detailed discussion, the para was recommended to be dropped, subject to verification by the Audit.

D.P. 67 & 70 Non-production of Auditable record worth Rs.19233 million mis-appropriation of Rs.0.308 million on account of pay and allowances.

28. The Department explained all the documents relating to the para would be submitted to Director General Audit for scrutiny/verification. The Director General Audit agreed to it.

29. The Committee, therefore, directed that if after examination of the documents it was established that loss was accrued to the Government, the same may be recovered from the official responsible within a period of three months,

30. However, if it was found that no loss was accrued to the Government, the para would be considered as dropped. Progress be reported to PAC.

D.P. 45 **Overpayment of Rs.2.436 million on account of drawing excess pay.**

31. It was contended by the Department that till April, 1998, a sum of Rs.13,23,380/- had been recovered and some amount was recovered afterwards from the salaries of the official @ Rs.200/- P.M. Moreover, the Secretary explained that the arrears had been waived off by the Finance Department. The Finance Department conceded that fact stating that the Chief Minister had issued directive to that effect.

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

D.P. 77 **Overpayment of Rs.0.093 million on account of grant of anomaly increment.**

33. It was contended by the Department that till April, 1998, a sum of Rs.13,23,380/- had been recovered and some amount was recovered afterwards from the salaries of the official @ Rs.200/- P.M. Moreover, the Secretary explained that the arrears had been waived off by the Finance Department. The Finance Department conceded that fact stating that the Chief Minister had issued directive to that effect.

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

D.P. 21 **Overpayment of Rs.0.059 million on account of allowing higher rates than that of approved rates.**

35. The Department contended that work completion certificates of the Head Teacher of the concerned schools, the ASDEOs Halaqas/DEO (M) Primary Swabi was presented to the Director Audit, Accountant General, NWFP, Peshawar for verification by the SDEO(M) Swabi personally. The Audit contended that the same was not available on their record and might have been misplaced.

36. After detailed discussion, the para was recommended to be dropped. However, the PAC directed that if the contention of the Department was later on found incorrect, the Audit may bring a fresh para on the same subject.

D.P. 116 **Loss of Rs.5.643 million on account of non imposition of penalty.**

37. The Secretary of the Department conceded that he had got no defence in the instant case whatsoever to make and no Departmental enquiry had been conducted in the case. According to the Audit, if the total calculation as agitated by the Department was 2.7 million, even then it supported mis-appropriation of the amount. The Committee

observed that the total payment was made in advance contrary to all rules. The Department requested that recovery would be effected from the contractor as land revenue. But the Committee, after detailed discussion, recommended that recovery should be made from the concerned official as land revenue within a period of three months, who had allowed advance payments, failing which criminal action be initiated against him. However, he is at liberty to settle his account, with contractor. Para stands. Progress be reported to PAC.

D.P. 29 **Loss of rs.0.475 million to Government property.**

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

D.P. 579 **Loss to Government on account of non-deduction of income tax amounting to Rs.0.200 million.**

39. Para stands. The Secretary of the Department was directed to check as to why the income tax was not deducted at the time of making payment. Progress be reported to PAC.

D.P. 30 **Excess drawal of posts over the sanctioned strength resulting in loss of Rs.1.404 million per annum (approximately).**

40 The Committee after detailed discussion recommended that the para may be dropped. However, the Department was directed to reconcile all the posts with the Finance Department to avoid such type of confusion.

D.P. 580 **Loss of Rs.0.087 million sustained by Government due to shifting of school building.**

41. The Committee observed that the Secretary of the Department who was a very straight forward person said on his honesty that the deal was done in good faith and no malafide intention was involved, the para was recommended to be dropped.

D.P. 42 **Excess drawal of PTC Post over the sanctioned strength resulting in loss of Rs.0.468 million.**

42. Para was recommended to be dropped with the observation that the Department should reconcile the posts with the Finance Department to avoid such type of confusion. This may not be repeated in future and will not quoted as precedent.

D.P. 36 **Loss to Government due to double drawal of pay and allowances amounting to Rs.0.120 million.**

43. The Committee observed that recovery had already been effected but it was of the view that an enquiry should be conducted against the DEO and SDEO, within a period of three months as to why double payment was made and why they were ignorant of such situation. Reported be submitted to PAC. Para stands to the extent of enquiry.

D.P. 60 **Loss to Government amounting to Rs.0.317 million on account of allowing rent of school building at enhanced rate.**

44. The Audit reported that in the local office it was observed that rent of the School building assessed by the Excise & Taxation Department being lesser was ignored and rent was allowed on the basis of assessment made by the C&W Department which result a loss of Rs.3,17,000/-.

45. The Department explained that the amount was granted on the assessment certificate issued by the C&W Department as per usual practice. However, the matter was being taken up with the Excise & Taxation Department for getting their assessment certificate. In case of any discrepancy in rates the amount would be recovered from the owner, the Department said.

46. After detailed discussion the Committee decided that the Department may send a copy of assessment certificate of the C&W Department in the present case to the Excise & Taxation Department for assessment of the Property Tax on the basis of the said certificate. The para was recommended to be dropped.

47. The meetings was adjourned till 25/08/1998 at 10:00 A.M.

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

PROVINCIAL ASSEMBLY OF N.W.F.P.

Tuesday ,the 25th August, 1998

9th sitting of PAC.

EDUCATION DEPARTMENT

The Public Accounts Committee assembled at 10:00 A.M in the Jirga Hall, Commissioner Office, Saidu Sharif, Swat, to continue examination the Audit Report on Accounts of Government of NWFP for the year 1995-96 pertaining to Education Department. The following were present:-

Public Accounts Committee

- | | | |
|----|--|----------|
| 1. | Mr. Hidayatullah Khan Chamkani,
Speaker | Chairman |
| 2. | Haji Muhammad Adeel,
Deputy Speaker | Member |
| 3. | Mr. Farid Khan Toofan, MPA | Member |
| 4. | Mian Iftikhar Hussain, MPA | Member |
| 5. | Mian Gul Asfandyar Amir Zeb, MPA | Member |
| 6. | Nawabzada Mohsin Ali Khan, MPA | Member |
| 7. | Mr. Muhammad Bashir Khan Umerzai, MPA | Member |

Audit Department

1. Mr. Naimatullah Abid,
Director General.
2. Mr. S.M. Ayub,
Director.
3. Mr. Dost Ali Shah,
Deputy Director.

Law Department.

Mr. Muhammad Shaukat,
Deputy Secretary.

Finance Department.

Mr. Abdul Siddique,
Additional Secretary.

Education Department.

1. Maj:(Rtd) Sahibzada Muhammad Khalid,
Secretary.
2. Prof: Dr. M. Qasim Khan,
Acting Vice Chancellor,
Gomal University, Dera Ismail Khan.
3. Mr. Muzaffar Ali Afridi,
Additional Secretary.
4. Mr. Ghulam Mustafa,
Director, Primary Education, NWFP.
4. Mr. Rab Nawaz Khan,
Director Works/XEN,
Gomal University, Dera Ismail Khan.
5. Mr. Abdur Rauf Khan,
Assistant Director, Finance,
Gomal University, Dera Ismail Khan.
6. Mr. Amir Badshah,
Section Officer (Accounts).

Provincial Assembly.

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

D.P. 74 **Loss of Rs.0.501 million to University on account of pension payment.**

3. The Department was directed to strictly follow the notification of the Finance Department regarding pension contribution and settle their accounts with the concerned Department.

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

D.P. 29 **Loss of Rs.0.475 million to Government property.**

5. From the discussion it transpired that the original tender was rejected on the grounds that it was more than the estimated cost. The PAC noted that the second tender floated was accepted on higher rates and granted to the same contractor whose first tender was rejected. This deal resulted loss of Rs.1,65,000/-. The only argument advanced by the Department was that the retender was approved by the Works Committee which was objected to by the Finance Department, that the only competent forum in such type matter was the Syndicate. The Committee was of the view that the retender was accepted with a malafide intention, therefore, the Department was directed to recover the loss from all those responsible on equal share, who floated second tenders and accepted the same. Recovery should be made within a period of three months failing which Departmental/criminal proceedings coupled with recovery may be initiated. Para stands. Progress be reported to PAC.

D.P. 73 **Un-due financial aid of Rs.0.744 million to P.O.L. dealers.**

6. The Committee noted with concern that the version of the Department at the DAC level, was different than the one advanced before the PAC.

7. The Department was warned that in future full documents should be produced at DAC level, failing which they would be debarred from submitting new grounds for defence.

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

D.P. 75 **Wasteful expenditure of Rs.0.112 million on account of external electrification.**

9. The Department explained that a new transformer, for which the money was debited had been installed after the meeting of DAC. In support of their contention they provided a certificate, which was examined by the Audit.

10. Since no loss was accrued to the Government and the explanation of the Department was found plausible, therefore, the para was recommended to be dropped.

D.P. 92 **Un-authorized expenditure on account of P.O.L/repair charges resulting in loss of Rs.0.551 million.**

11. Deferred and will be taken up tomorrow.

D.P. 94 **Loss of Rs.0.280 million on account of purchase of furniture at higher rates.**

12. The only point advance by the Department was that the quality of the furniture of the lowest bidder was not upto the mark, therefore, highest bid was accepted.

13. The Committee observed that the objection of the Audit was very pertinent that cogent reasons for accepting the highest tender should have been given, which was not done. The second point of the Audit was that they should have retendered the items or should have directed the contractor to supply the desired quality, but in the instant case, it came to the notice that no such procedure.

14. The Committee after detailed discussion recommended that recovery of Rs.2,79,680/- may be made from the responsible officer within a period of three months failing which Departmental/criminal proceedings coupled with recovery may be initiated against him. Progress may be reported to PAC. Para stands.

D.P. 110 **Un-authorized payment of Rs.15 million of account of purchase of furniture resulting in loss Rs.3.975 million.**

15. The case was deliberated upon and thrashed out by the Committee Members, Audit, Education and Finance Department.

16. The Audit objected that due to the following reasons payment was unauthorized and irregular:-

- a) The payment was made in advance without obtaining formal approval of the Finance Department.

- b) The amount was drawn from USAID purely specified for construction work and there was no provision for furniture in the relevant sanction of Finance Department.
- c) No advertisement was floated through press for the purpose as required under para-144 of GER Vol-1.
- d) No agreement was executed with the firm as required under the rule.
- e) Neither security amounting to Rs.1,50,000/- @ 10% nor call deposit of Rs.3,00,000/- (2%) were obtained from the firm as required under the rules.
- f) Income Tax amounting to Rs.3,75,000/- and @ of Rs.10% was not obtained from the firm as required under Income Tax Ordinance.
- g) The supply was not made even after more than one year (upto 9/96). The Furniture was neither taken on stock nor physical inspection was conducted.
- h) The amount was kept outside the Government Ex-chequer for a considerable period (more than one year) which might have accrued an interest of Rs.21,00,000/- for the firm which needs to be recovered from it.

17. Certain non plausible explanation were put forth by the Department, which were found non-convincing. One of the pleas was that due to emergency they had to supply the furniture on the directive of the Chief Minister. The Members observed that the point was not appealable for the simple reason that the alleged supply was made after the lapse of one year, so the question of emergency did not arise.

18. The second point agitated before the Committee was that they adopted the procedure the procedure of pre-qualification.

19. The Committee observed that it was strange that the advance payment of the total amount was made on 04/05/1995 and the pre-qualification procedure was adopted after one month i.e. 05/06/1995, meaning thereby that no such procedure was at all adopted before 04/05/1995.

20. The Committee also noted also noted that not a single receipt was produced before the Audit to show whether the single item as mentioned in the deed was supplied to anybody. Moreover, it was also contended by the audit that they had physically checked all the receiving ends and found nothing supplied to the quarters.

21. However, certain receipts were now, brought to PAC shoeing the name of officers, who had received the item. It appeared that the issuance of all such receipts were after thought as from the out set the whole procedure was dubious. It was also apprehended that the officers who had issued the receipt of the furniture were involved in the deed.

22. It was contended by the Department that this very case was with Ehtisab Commission. The Committee was of the view that as the para was before them, so it was felt in their competency give their own recommendation, without any prejudice.

23. Under the circumstances mis-appropriation/fraud had been proved and the Committee ordered that recovery of full amount should be made from all those who were responsible for adopting the illegal procedure and accepting the same. The recovery should be effectuated within a period of six months, failing which Departmental/criminal proceedings coupled with recovery should be initiated against the concerned officials. Para stands. Progress be reported to PAC.

D.P. 97 **Un-authorized payment of Rs.0.360million on account of building rent resulting in loss of Rs.0.018 million.**

24. It was observed by the Committee that no doubt the Department had committed a gross irregularity by allowing advance payment consisting of the fact that he owner was not ready to rent the house without advance payment. The Department produced a challan of Rs.18 thousands duly deducted from the owner and deposited in the treasury. The challan was verified by the Audit.

25. Under circumstances, the Committee was of the opinion that lenient view may be taken for not following proper procedure. The Committee directed the Department that in future rules should be strictly followed. The Committee also directed the Department to warning to the officer for committing this irregularity.

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

D.P. 113 **Un-authorized hiring of services worth Rs.8.190 million resulting in loss of Rs.0.399 million.**

27. After detailed discussion, the Committee directed that Income Tax should be recovered from the concerned officials as per rules. Para stands with the above observation.
28. The Committee directed the Audit Office that in future every person responsible for the misdeed must be pointed out in the draft paras.
29. During the course of discussion Nawabzada Mohisn Ali Khan, MPA draw the attention of the Members of the Committee that the comments of DAC incorporated in the working paper were not exhaustive and in detail.
30. The Committee, therefore, directed that in future the minutes of DAC must give detail of discussion, points argued by the Departmental officer, Finance and Audit and conclusion of the Committee. The same should be briefly incorporated in the working paper and copy of the minutes must be attached there to facilitate the PAC.
31. The meeting was adjourned till 26/08/1998.

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

PROVINCIAL ASSEMBLY OF N.W.F.P.

Wednesday ,the 26th August, 1998

10th sitting of PAC.

EDUCATION DEPARTMENT

The Public Accounts Committee assembled at 10:20 A.M in the Jirga Hall, Commissioner Office, Saidu Sharif, Swat, to continue examination the Audit Report on Accounts of Government of NWFP for the year 1995-96 pertaining to Education Department. The following were present:-

Public Accounts Committee

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

Audit Department

1. Mr. Naimatullah Abid,
Director General.
2. Mr. S.M. Ayub,
Director.
3. Mr. Dost Ali Shah,
Deputy Director.

Law Department.

Mr. Muhammad Shaukat,
Deputy Secretary.

Finance Department.

Mr. Abdul Siddique,
Additional Secretary.

Education Department.

1. Maj:(Rtd) Sahibzada Muhammad Khalid,
Secretary.
2. Mr. Ghulam Mustafa,
Director, Primary Education, NWFP.
3. Mr. Amir Badshah,
Section Officer (Accounts).

Provincial Assembly.

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

D.P. 93 Un-authorized excess expenditure worth Rs.5.383 million.

3. The Department admitted the excess to the tune of Rs.10 lac, but they could not advance any cogent reason to justify the excess payment. The Audit Department pleaded that the excess was Rs.53,83,297/- and not 10 lac, as the Department I their reply admitted hat a sum of Rs.33,64,482/- had been deposited in Government treasury.

4. After detailed discussion the Committee directed the Department that an inter Departmental Committee consisting of the representatives of Education, Finance, Audit and law Departments be constituted to probe into the irregularity made in USAID sponsored project for the Primary Education Development Programme of NWFP. Moreover, it may be thrashed out that how much excess expenditure was incurred, what were the reasons and pin point the officer responsible for the excess drawal.

5. The inquiry should be conducted within a period of three months and fix responsibility. Progress be reported to PAC. Para stands.

D.P. 578 **Excess expenditure over and above the ceiling fixed for residential telephone Rs.0.056 million.**

6. The Department admitted the excess expenditure over and above the ceiling fixed for residential telephone and pleaded that the amount was spent on official calls. Moreover, the amount involved was not such a big one for the promotion of activities of Primary Education. The reply was not convincing and noted with grave concern by the Committee.

7. After detailed discussion the Committee recommended that recovery of Rs.55,536/- may be made from the concerned responsible official within a period of three months failing which Departmental/criminal proceedings coupled with recovery may be initiated against the concerned official. Progress be reported to PAC. Para stands.

D.P. 100 **Irregular expenditure worth Rs.7.907 million on account of purchase of equipments.**

8. The para was discussed in detail. The Department contended that all the documents were available with them for verification, which was agreed to by the Hon'ble Members, but it would take long time to go through the whole lot of the documents, the Audit said.

9. So under the circumstance the Committee directed the Audit Department to scrutinize/verify the documents connected with their claim within a period of three months. In case the documents were found valid then the para would be constructed as dropped and if found otherwise, then the para would stand and recovery should be made from the responsible officer within a further period of three months, failing which Departmental/criminal action, coupled with recovery, may be initiated against the concerned officer. Progress be reported.

D.P. 20 **Irregular expenditure of Rs.0.467 million.**

10. The Committee observation that although irregularity had taken place, but the Secretary contended that the circumstances were inevitable and he assured that no loss had been accrued to the Government.

11. Under the circumstances the Committee took lenient view and directed the Department that warning may be issued to the concerned officer to avoid such practice in future and this should not be used as precedent for future purpose.

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

D.P. 576 **Irregular expenditure of Rs.2.330 million on account of purchase of three vehicles..**

13. The Audit reported that in the office of Director Primary Education funds to the tune of Rs.22,30,000/- were placed at the disposal of local office for the development of Primary Education but contrary to the above the amount was spent on the purchase of three vehicles (as per original para) one for Minister for Education and two for Secretary Education Department, thus the object for which the funds were provided was defeated, the expenditure was irregular and contrary to para-9 of GFR Vol-II.

14. The Department explained that according to the provision in the PC-1, 71 number Jeeps for DEOs/SDEOs were purchased. Three numbers vehicles for the local directors and two number hiace for the staff to be purchased.

15. All the Primary Education programme was termed as developmental and funds were not provided on the recurrent side. So the purchase made according to the release of funds.

16. Vehicles were purchased for the local directorate and not for Minister/Secretary. The vehicles provided to these higher authorities as gap arrangements and are now in the use of local directorate.

17. The Committee decided that this para may be linked with similar paras pertaining to the USAID Primary Education Development Programme to be probed into by the inter Departmental Committee with a special additional term of reference to see the entitlement and fix responsibility within three months. Para stands.

D.P. 19 **Irregular appointment of PTC teachers involving expenditure Rs.0.176 million.**

18. The Secretary admitted the irregularity and assured that drastic action would be taken against the culprits within a period of three months.

19. The Committee recommended that the amount should be recovered within a period of three months and capital punishment be awarded under the rules to the responsible official. Para stands. Progress be reported to PAC.

D.P. 584 **Irregular expenditure of Rs.0.065 million on account of rent of school buildings.**

20. The Department contended that ex-post facto sanction had been obtained. The Committee observed that DAO had passed the bill without sanction of the competent authority in violation of para 9 of GFR Vol-I. The Committee directed that warning may be issued to the concerned DAO.

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

D.P. 583 **Irregular drawal of Rs.0.226 million on account of pay and allowances in excess of sanctioned posts.**

22. It was contended by the Finance Department that although irregularity was committed in the instant case, however, all the posts have been regularized.

23. The Committee took strong view of the fact that the decision of the DAC was that action should be taken against the concerned officer within a period of one month, but till today no action had been taken.

24. This state of affairs is very deplorable, as observed by the Committee.

25. The Director Education explained that as the SDEO(F) had since been expired, therefore, disciplinary action was not taken. If such eventuality comes in future, the Department is directed that they should bring all such explanation in black and white.

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

D.P. 41 **Un-authorized drawal of Rs.0.113 million on account of pay and allowances.**

27. The Committee observed that in fact the irregularities pointed out by the Audit were found to be true. The Department contended that some recoveries had already been effected and now the said official was a trained teacher and his services have been regularized.

28. Considering these extraordinary circumstances, the para was recommended to be dropped subject to verification that such repetition should be avoided and this should not be taken as precedent in future.

D.P. 53 **Doubtful and irregular drawal of Rs.1.241 million on account of H.B.A., Motorcycle and G.P. Fund Advance.**

29. Subject to verification by the Audit, the para may be dropped with the direction that in future deduction from salary must be started from the individual immediately after getting the advances.

D.P. 88 **Irregular drawal of Rs.4 million and non-production of record regarding transportation charges.**

30. The same observation as per para 93.

D.P. 59 **Irregular and doubtful drawal and disbursement of Rs.0.036 million.**

31. It was contended by the Department that record for verification was available.

32. Subject to verification by the Audit, the para was recommended to be dropped with the direction that in future all such documents must be produced to Audit without any wastage of time.

D.P. 62 **Un-authorized drawal of Rs.0.132 million on account of appointment of Chowkidars on contract basis.**

33. The Committee observed that although certain irregularities had been committed, but the Secretary of the Department pleaded that the school was situated in a very far flung area and for the safety of the lady teacher due to sheer necessity the leave vacancy was filled in and requested for the dropping of the para on humanitarian grounds.

34. Under the circumstances, the Committee allowed the request of the Secretary and recommended that the para may be dropped with the direction that they should strictly follow the rules and regulation and this leniency may not be considered as precedent in such type of cases.

D.P. 66 **Double drawal of pay and allowances Rs.0.365 million.**

35. The SDEO contended that no double drawal of allowances was made and said that all documents were available. Moreover, he leveled certain allegation against the Audit Officer who conducted the Audit that the para was taken intentionally.

36. Subject to verification of the record, the para was recommended to be dropped with the direction that D.G. Audit should look into the allegation as leveled in this presence and if found valid strict action may be taken against the concerned Auditor.

D.P. 23 **Non-production of record worth Rs.0.052 million.**

37. The Department contended that the record was missing due to shifting of office.

38. After detailed discussion, the Committee directed that disciplinary action may be taken against those who were involved in this misdeed. Moreover, an enquiry should be conducted and if any mis-appropriation was found, the same should be recovered from the concerned responsible official within a period of three months, failing which Departmental/criminal proceedings may be initiated against the concerned official. Progress be reported to PAC. Para stands.

D.P. 32 **Non-production/suspicious expenditure of Rs.2.365 million on petty repair.**

39. This para had already been discussed on 24/08/1998 and decision taken vide para 37.

D.P. 33 **Non-production/suspicious expenditure of Rs.2.365 million on petty repairs.**

40. After detailed discussion the Committee directed the Department that inter Departmental Enquiry Committee consisting of Mr. Abdul Siddique, Additional Secretary, Finance Department, Mst. Sarwat jehan, Additional Directress, Education Department and director Audit may be constituted to conduct an enquiry within a period of three months that how and why the amount was drawn at end of the financial year and how expenditure was carried out.

41. If it was found that the amount was mis-appropriated then recovery may be made within a period of further three months, failing which Departmental/criminal

proceedings may be initiated against the concerned official. Para stands. Progress be reported to PAC.

D.P. 65 **Non-production of actual payee receipts Rs.0.913 million.**

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

D.P. 107 **Non-production of record worth Rs.0.344 million.**

43. The Committee observed that inspite of repeated directives of DAC level coupled with a concession to submit the documents i.e. log book and receipt before the PAC at least, the Director Education has just stated that he was unable to produce the same. Considering such state of affairs, the only legal presumption would be that no such receipt and log book were available with the Department.

44. Under the circumstances the PAC recommended that recovery may be made from the concerned official/officer within a period of three months, failing which Departmental/criminal action, coupled with recovery, may be initiated against the concerned official/officer.

45. Moreover, an enquiry should also be conducted within three months as to what happened to the commodities which were to be supplied and action be taken against the concerned responsible officer, progress be reported to PAC. Para stands.

D.P. 582 **Un-justified expenditure of Rs.0.383 million on account of payment of part time allowance.**

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

D.P. 22 **Irregular advances payment amounting to Rs.0.540 million.**

47. The Committee observed that advance payment was made without the sanction of the Finance Department which was a gross irregularity. The Director Education contended that correspondence were in progress with the Finance Department for taking ex-post facto sanction. The Audit apprehended that the articles might not have been purchased.

48. The Committee after detailed discussion directed that an enquiry may be conducted by the Department to find out as to whether or not actually the articles were received. The enquiry team should consist of one of representative of Audit should be finalized within a period of three months. In case the irregularities were condoned and physical verification of the items were found to be corrected then, the para presumed as dropped otherwise it would stand and recovery may be made accordingly within a further period of three months from the concerned official and in case of non recovery within the time fixed, then Departmental/criminal proceedings may be initiated against the concerned. Para stands. Progress be reported to PAC.

49. The meeting was adjourned till 27/08/1998 at 10:00 A.M.

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

PROVINCIAL ASSEMBLY OF N.W.F.P.

Thursday ,the 27th August, 1998

11th sitting of PAC.

EDUCATION DEPARTMENT

The Public Accounts Committee assembled at 10:20 A.M in the Jirga Hall, Commissioner Office, Saidu Sharif, Swat, to continue examination the Audit Report on Accounts of Government of NWFP for the year 1995-96 pertaining to Education Department. The following were present:-

Public Accounts Committee

- | | | |
|----|--|----------|
| 1. | Mr. Hidayatullah Khan Chamkani,
Speaker | Chairman |
| 2. | Haji Muhammad Adeel,
Deputy Speaker | Member |
| 3. | Mr. Farid Khan Toofan, MPA | Member |
| 4. | Mr. Muhammad Bashir Khan Umerzai,MPA | Member |
| 5. | Nawabzada Mohsin Ali Khan, MPA | Member |
| 6. | Mian Gul Asfandyar Amir Zeb, MPA | Member |
| 7. | Mian Iftikhar Hussain, MPA | Member |

Audit Department

1. Mr. Naimatullah Abid,
Director General.
2. Mr. S.M. Ayub,
Director.
3. Mr. Dost Ali Shah,
Deputy Director.

Law Department.

Mr. Muhammad Shaukat,
Deputy Secretary.

Finance Department.

Mr. Abdul Siddique,
Additional Secretary.

Education Department.

1. Maj:(Rtd) Sahibzada Muhammad Khalid,
Secretary.
2. Mr. Ghulam Mustafa,
Director, Primary Education, NWFP.
3. Mr. Amir Badshah,
Section Officer (Accounts).

Provincial Assembly.

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

D.P. 24 **Doubtful payment of Rs.0.565 million drawn through manual bills.**

3. The Department contended that record would be produced to Audit shortly.
4. The Committee directed the Audit to check the record and if doubtful payment was established, then the Department should recover the amount from the concerned official within a period of three months, failing which Departmental/criminal proceedings may be initiated against the concerned official, otherwise the para would be construed as dropped. Progress be reported to PAC.

D.P. 35 **Irregular appointment of PTC teachers and un-authorized liability of pay and allowances to the tune of Rs.0534 million.**

5. The para was discussed in detail. During the discussion, it transpired that the whole procedure adopted for the appointment, was illegal. The points agitated the by the Audit in the draft para i.e. from 1 to 4 in the working paper were quit genuine and correct.

6. It was noticed with grave concern that the DEO, who refused to comply with the illegal orders, was suspended and then the Director delegated the powers to SDEO unlawfully to appoint certain people. Therefore, the whole appointments and payments were illegal. An enquiry was conducted as per order of DAC, but so far no action had been taken against the concerned officials who were involved in this mischief. No justification, whatsoever, was advanced by the Department to the misdeed.

7. In view of the above, the PAC recommended that recovery should be effected from the concerned persons at whose behest, the Government was deprived of the amount mentioned in the para.

8. Further, the Secretary Education was directed by the PAC to proceed Departmentally and take strict action so that such type of events are not repeated.

9. The DEO as stated by the Department had since been retired, it was the earnest desire of the PAC that appreciation of PAC should be sent by the Department at her home address for not accepting the illegal orders of the then Minister for Local Government and also publish the same in the press.

D.P. 39 **Irregular purchase of stationery beyond definite requirements just to blockade public money amounting to Rs. 0.119 million.**

10. The Department contended that ex-post sanction was accorded by the Finance Department.

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

D.P. 40 **Irregular and un-justified payment of Rs.0.059 million.**

12. The case was discussed in detail. The teacher was declared as absconder and later on he entered into compromise with the deceased party by paying compensation

and was acquitted by the court on that basis. Throughout this period he absconded and avoided lawful course by not surrendering to court.

13. The Committee observed that it was very strange that benefit was given to the official for the period he absconded and did not perform his duty. The Committee, therefore, recommended that recovery of Rs.80,739/- may be made from the concerned teacher within a period of three months, failing which Departmental/criminal action coupled with recovery may be initiated against the concerned teacher. Para stands. Progress be reported to PAC.

D.P. 27 **Fictitious disbursement of pay and allowances amounting to Rs.0.213 million.**

14. The para was discussed in detail and the Secretary after going through the documents taken by the Audit at the time of audit, conceded the misappropriation of the amount.

15. The Committee, therefore, recommended that recovery may be made from the concerned responsible official within a period of three months, failing which Departmental/criminal proceedings may be initiated against the official. Para stands. Progress be reported to PAC.

D.P. 43 **Un-authorized payment of Rs.0.081 million.**

16. The Committee was informed by the Department that an enquiry was conducted in which the complaint was found baseless. The para was, therefore, recommended to be dropped.

D.P. 55 **Doubtful payment of Rs.0.569 million.**

17. The same remarks, as per paras 47, 48 and 49 discussed on 24th august, 1998.

D.P. 68 **Irregular incurrence of expenditure worth Rs.3.388 million on A/C of excess over budget provision.**

18. The Committee after detailed discussion directed the Department that inter Departmental Enquiry Committee consisting of Mr. Abdul Siddique, Additional Secretary, Finance Department, Director Audit and DEO Education, Karak may be constituted to probe into the matter as to how and why expenditure was incurred by the

Department and why the DAO has allowed over payment in excess of budget and fix responsibility, Enquiry should be finalized within a period of three months.

19. In the meantime, the Department should make efforts to get the expenditure regularized from the Finance Department. Para stands. Progress be reported to PAC.

D.P. 71 **Retention of Government money amounting to Rs.0.023 million.**

20. The para was discussed in detail. The Secretary, Education admitted the irregularity. Certain documents were produced before the Audit for verification which were objected to by the Audit saying that it was after thought. But on the other hand, the Members were of the opinion that payments appeared to have been made. The Committee directed the administrative Secretary to conduct impartial enquiry as to whether or not the amount was actually paid and fix responsibility. Para stands. Progress be reported to PAC.

D.P. 83 **Irregular and un-economical expenditure worth Rs.34 million on account of purchase of jute.**

21. It was admitted by the Department that gross irregularity had been committed and the case was pending with the Anti-Corruption Department. The Secretary of the Department contended that some stores were available which may be verified by the Audit.

22. After detailed discussion the Committee directed the Department that an inter Departmental Enquiry Committee under the Chairmanship of Mian Gul Asfandyar Amir Zeb, MPA and comprising the following may be constituted to probe into the matter and fix responsibility within three months:-

1. The Director General, Audit.
2. Mr. Abdul Siddique, Additional Secretary, Finance Department.
3. Mr. Zia-ud-Din Khattak, Additional Secretary, Law, Parliamentary Affairs and Human Rights Department.
4. Prof: Fazal-e-Qadir, Additional Secretary, Education Department.

23. The Committee recommended that in case any officer/official was held responsible by the Enquiry Committee then recovery may be made within further period of three months, failing which Departmental/criminal proceedings coupled with recovery may be initiated. Para stands. Progress be reported to PAC.

D.P. 84 **Plundering of Government asset worth Rs.0.150 million.**

24. The para was discussed in detail. The Committee was of the view that recovery may be made from the officer to whom, the vehicle was allotted. But Mr. Aziz-ur-Rehman, Audit Officer, submitted honestly that the Additional Directress was not involved in the case. She was compelled to sign the documents. The Committee after detailed discussion directed the Secretary to conduct an inquiry and pin point the official responsible in the matter. Progress be reported to PAC. Para stands.

D.P. 87 **Non recovery of Rs.0.784 million on account of POL charges.**

25. The irregularity was admitted by the Secretary. However, he explained that some amount had been deposited back in the Treasury. About the balance amount the PAC directed that the same may be regularized from the Finance Department according to the permissible limits. Moreover, for the clear cut violation of Law, Departmental action should be taken and the Chief Secretary may also be informed accordingly.

26. The Committee observed that the then Secretary who chaired DAC should have taken action for such type of delinquencies. The PAC expressed displeasure over the failure of the then Secretary for not taking action against the concerned official responsible for the misdeed.

D.P. 90 **Un-authorized deposit of Rs.3.695 million.**

27. After detailed discussion, the Committee recommended that recovery of the balance amount minus interest may be made from the concerned person within three months, failing which criminal proceedings may be initiated. Moreover, Departmental action may be taken against the officer who had made the irregularities. Para stands. Progress be reported to PAC.

D.P. 96 **Non-deduction of income tax amounting to Rs.0.150 million.**

28. The allegation of the Audit Department was straight away admitted by the Administrative Secretary. An exemption certificate of Income Tax was produced and the Secretary himself pointed out that this exemption certificate did not relate to the present supply. Para stands. Recovery of the income tax should be made within three months failing which criminal action may be initiated. Progress be reported to PAC.

D.P. 98 **Irregular expenditure worth Rs.3.596 million and non-deduction of income tax amounting to Rs.0.180 ,million.**

29. While discussed para, the Department admitted only the non-deduction of income tax and put forth a few excuses about the other allegations leveled by the Audit Department in the para. The documents were perused and it was proved that the amount had been split and tenders were given in Daily Mashriq and Bisharat newspapers. In fact it should have been published in three local and national newspapers. Moreover, under the rules, consultancy was required to have been approved from PSB, which was not done.

30. Under the circumstances the PAC recommended that recovery should be made from the officer who has accorded approval to consultancy unauthorizedly and incurred expenditure. Para stands. Progress be reported to PAC.

31. The meeting was adjourned till 28/08/1998 at 10:00 A.M.

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

PROVINCIAL ASSEMBLY OF N.W.F.P.

Friday the 28th August, 1998

12th sitting of PAC.

EDUCATION DEPARTMENT

The Public Accounts Committee assembled at 10:20 A.M in the Jirga Hall, Commissioner Office, Saidu Sharif, Swat, to continue examination the Audit Report on Accounts of Government of NWFP for the year 1995-96 pertaining to Education Department. The following were present:-

Public Accounts Committee

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

Audit Department

1. Mr. Naimatullah Abid,
Director General.
2. Mr. S.M. Ayub,
Director.
3. Mr. Dost Ali Shah,
Deputy Director.

Law Department.

Mr. Muhammad Shaukat,
Deputy Secretary.

Finance Department.

Mr. Abdul Siddique,
Additional Secretary.

Education Department.

1. Maj:(Rtd) Sahibzada Muhammad Khalid,
Secretary.
2. Mr. Ghulam Mustafa,
Director, Primary Education, NWFP.
3. Mr. Amir Badshah,
Section Officer (Accounts).

Provincial Assembly.

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

D.P.102 Un-authorized credit of Rs.0.161 million.

3. The Audit reported that the Director, Primary Education received a cheque for Rs.1,60,500/- from UNICEF in his name for the specific purpose to hold workshop etc.
4. The Committee observed that it was strange that the Director deposited the cheque into the account of one Dr. Robinson.
5. The Audit pointed out that reply of the Department and Dr. Robinson about the expenditure incurred were contradictory to each other. The Secretary of the Department contended that they had got sufficient record available with them and the left

over amount of Rs.825/- was returned back to UNICEF and the remaining amount was properly spent.

6. The Committee observed although there is admittedly a procedure irregularity but the Government had not suffered any loss. Therefore, it was held that the para would be considered as dropped subject to verification by the Audit that no loss was accrued to Government, and in case it was established that the money was not so spent, then in that case, the para would stand and the total amount minus Rs.825/- may be recovered from the concerned responsible officer within a period of three months, failing which Departmental/criminal proceedings coupled with recovery may be initiated against him.

7. At the same time, the Department was directed not to take benefit of such type of irregularities in future. The para was decided accordingly.

D.P. 108 **Fraudulent drawl of Rs.0.800 million of account of printing charges.**

8. The Audit reported that in the office of Director Primary Education a sum of Rs.8 lac was drawn from PLA as advance in the name of Erutrade Enterprises, Peshawar vide cheque NO.190458 dated 12/06/1994 and the payment was made on a fake pad of the firm.

9. After verification by the Audit in September, 1996 neither the supply was made nor the amount was returned. The alleged firm i.e. the recipient confirmed that they had not received any payment.

10. The Department admitted the factum of the misappropriation but have brought the name of person i.e. Mr. Anwarul Haq that he was behind the screen had he was responsible. According to the Department the case was registered and the person was on bail.

11. Haji Muhammad Adeel, Deputy Speaker pointed out that in the whole case no officer of the Department had been implicated as is evident from the record made available to the Public Accounts Committee.

12. The Finance Department was of the view that not only the DDO but the Accounts Officer is also responsible for this misdeed. However, the Committee did not accept the pleas of the Finance Department for involvement of Accounts Officer.

13. The Committee observed that this was a clear cut misappropriation with malafide intention, therefore, it was directed that the amount should be recovered from the then Director Primary Education within a period of three months, failing which criminal proceedings, coupled with recovery may be initiated against him.

14. However, he is at liberty to settle his account with the concerned person.

D.P. 112 Un-authorized transactions worth Rs.35.668 million and non-surrendering of unspent balances amounting to Rs.9.330 million.

15. The Audit reported that the Director Primary Education drew a sum of Rs.3,56,67,599/- from PLA for the purchase of equipments, machinery and salaries etc during the years, 1993-94 to 1995-96. The amount in question was credited to the account of the ex-chief consultant of PEDP (USAID) and illegally utilized by him.

16. The Committee observed that it was a settled law that transfer of fund from Government account was quite irregular.

17. During the discussion the Education and Finance Departments also discussed the role of Accounts Officer with great suspicious. This fact should also be brought to the notice of Auditor General of Pakistan and Accountant General of the Province by the Director General Audit.

18. The Department contended that this case should be clubbed with the case given to Committee constituted under the Chairmanship of Mian Gul Asfandyar Amir Zeb, MPA but he Members of PAC insisted that present case was a clear cut case of misappropriation and recovery should be made from the responsible officer.

19. The PAC directed the recovery of the amount within a period of three months from the concerned officer and consultant, failing which departmental/criminal proceedings coupled with recovery may be initiated against them.

20. At the same time, the Public Accounts Committee observed rather noticed with concern that the role of the Secretary Education was also deplorable as he failed to

perform his duties as Principal Accounting Officer vigilantly and directed that a letter may be addressed to Chief Executive of the Province to advise all the Administrative Secretaries that at least at DAC level they should perform their duties strictly in accordance with law rule.

D.P. 114 **Theft of LAP-TOP computer costing Rs.0.180 million.**

21. The Audit reported that in the office of Director of Primary Education it was observed that one lap top Toshiba T-5100 computer costing Rs.1,80,000/- was stolen from the office of Deputy Director (RD&E) on 20/09/1995. The Department contended that enquiry was initiated but no one was held responsible.

22. The PAC observed that although the reply of he Department contained in working paper was a bid contradictory, however, the Secretary assured that recovery would be made from all the responsible officials.

23. Under the circumstances the PAC directed that recovery should be made from all concerned held responsible by he Secretary with in a period of six months, failing which Departmental/criminal action coupled with recovery may betaken against the concerned officials. Progress be reported to PAC. Para stands.

D.P. 115 **Un-authorized payment of Rs.67.001 million on account of purchase of jute tats, chalk, teaching kits, charts and models.**

24. After the allegation put forth by the audit, both the Secretary and Director Education straight away conceded that it was really malifide deed not it was not only a mere irregularity but was for an ulterior motive, which resulted in such a huge loss to the exchequer.

25. The PAC is of the view that they will be failing in its duty not to appreciate the honest and frank admission made by the Secretary and Director. On that score, a letter of appreciation should be sent to the Chief Executive to encourage all such honest officers. The Committee agreed that this para should be clubbed with the previous para for which an inter Departmental Committee has already been constituted under the Chairmanship of Mian Gul Asfandyar Amir Zeb, MPA.

26. The Committee further directed that as very valuable suggestions were put forth before the Committee by all the Members, some were about the tenders, firms and centralization etc, so the minutes of to day and the audio cassettes record be supplied to the Chairman of the inter Departmental Committee in order to consider all those points.

D.P. 118 **Wasteful expenditure of Rs.1.525 million on the purchase of one number pajeero Model 1993.**

27. The Finance Department supported the reply of the Department and explained that the purchase was made according to the revised PC-1.

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

D.P. 119 **Non-submission of stock register for store valuing Rs.1.990 million of S.D,E.Os. and acknowledgment of Head Masters of schools.**

29. After detailed discussion, the para was recommended to be dropped subject to verification by the Audit.

D.P. 117 **Non supply of different articles costing Rs.37.142 million.**

30. This para alongwith D.P.92 was referred to inter Departmental Committee constituted under the Chairmanship of Mian Gul Asfandyar Amir Zeb, MPA to scrutinize the case in details and find out discrepancies and submit their findings. Para stands.

31. The meeting was adjourned till 01/09/1998 at 10:00 A.M.

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

PROVINCIAL ASSEMBLY OF N.W.F.P.

Tuesday the 1st September, 1998

13th sitting of PAC.

HEALTH DEPARTMENT

The Public Accounts Committee assembled at 10:30 A.M in the Conference Room of the Assembly Secretariat of NWFP Peshawar to examine to the Audit Report on Accounts of Government of NWFP for the year 1995-96 pertaining to Health Department. The following were present:-

Public Accounts Committee

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

Audit Department

1. Mr. Naimatullah Abid,
Director General.
2. Mr. S.M. Ayub,
Director.
3. Mr. Iftikhar Rahim
Deputy Director.

Health Department.

1. Mr. Saleem Khan,
Secretary.
2. Mr. Khalid Khan Baloch,
Additional Secretary.
3. Prof: Muhammad Ali,
Administrator, L.R.H. Peshawar.
4. Prof: Muhammad Iqbal Khadim,
Principal, Khyber College of Dentistry.
5. Dr. Mukhtyar Ahmad,
Director General.
6. Dr. Muhammad Iqbal,
Deputy Director.
7. Dr. Ahmad Jamil,
P.D. F.H.P.
8. Mr. Yaqub Khan,
A.O. F.H.P.
9. S. Bahadar Shah,
A.O. MCC.
10. Dr. Noorul Wahab Shah,
M.S.
11. Dr. Haji Gul,
D.H.O, Mardan.
12. Dr. Abdul Qadir,
D.H.O. D.I. Khan.
13. Syed Tariq Ali Shah,
Senior Account Officer.

Communication & Work Department.

Mr. Shahwazir,
Executive Engineer.

Finance Department.

Mr. Abdul Siddique,
Additional Secretary.

Law Department.

Mr. Muhammad Shaukat,
Deputy Secretary.

Provincial Assembly.

1. Mr. Abdul Hameed Khattak,
Secretary.
2. Mr. Amanullah,
Deputy Secretary-I.
2. The meeting commenced with recitation from the Holy Qura'n.
3. In his opening remarks, the Chairman noted with grave concern that the performance of the Health Department with regard to implementation of the recommendation of PAC duly adopted by the Assembly was nil and no efforts had been made to implement the decision.
4. In response the Secretary Health pleased that 95 percent of the decisions of PAC had been implemented and efforts were being made to implement the rest of the decisions. He also said that progress had been sent to Secretariat. The Assembly Secretariat stated that no progress reported was received from the Department so far. The Secretary, Health assured that he would be check the record and send documents with regard to implementation of the PAC recommendation to the Assembly Secretariat.

D.P. 95 **Over-payment of Rs.0.657 million on account of allowing wrong anomaly.**

5. The Secretary of the Department explained that full recovery had been made which can be verified/confirmed from the documents available.
6. In view of the explanation of the Department, the Committee recommended that the para may be dropped, subject to verification by Audit.

D.P. 10 **Over-payment of Rs.0.055 million due to payment at incorrect rates.**

7. The para was discussed in detail. The case was argued by the XEN, C&W, Department. According to him there was some distinction between the “Fair Face Tiles” and perforate bricks.

8. The Audit officer insisted that a similar work in the same vicinity, was executed with less rate, which was duly checked by the Audit Party with the assistance of an Engineer. The Audit Officer who inspected the spot with the assistance of Engineer, confirmed that both the works were of one nature and in the same vicinity.

9. After detailed discussion, the Committee directed that the amount of Rs.52,292/- being over paid, may be recovered from the concerned officer within a period of three months failing which Departmental/criminal action coupled with recovery may be taken against him. If the amount is deposited in time then no Departmental action be initiated and no adverse entry in the ACR be recorded. Progress be reported to PAC. Para stands.

D.P. 53 **Mis-appropriation of Rs.0.185 million on account of excess diet charges.**

10. The para was discussed in detail. The Department explained that in pursuance of the decision of DAC, an enquiry was conducted. The enquiry report presented by the Department exonerated the alleged culprits from the charge.

11. The Committee observed that the procedure adopted by the concerned officials was not in order because there were overwriting/cuttings and other such type of suspicious entries, in the documents. However the Secretary of the Department submitted that in order to avoid such doubts strict instructions had been issued to adopt the correct procedure. He assured that in future there would be no chance of such irregularities.

12. Under the circumstances, the para was recommended to be dropped with the direction that the official concerned may be warned not to repeat such practice.

D.P. 59 **Non accountal of Rs.0.022 million on account of admission fee.**

13. The Audit explained that the para was discussed in the last PAC meeting and regretted for reflecting it in the present report due to oversight.

D.P. 198 **Loss of Rs.0.047 million on account of sub-standard drug supplied by M.S.D**

14. The Department explained that the cost of substandard drugs supplied by the firms had been recovered. Moreover, action had already been taken against the firm by forfeiting his security amounting to Rs.15,000/-.

15. In view of the above explanation, the para was recommended to be dropped.

D.P. 9 **Irregular expenditure of Rs.0.124 million on pay and allowances of superintendent employed beyond the age of superannuation.**

16. The para was discussed in detail. The Department explained that retired supdt: of the Health Department was employed on contract basis purely in the public interest and no excess payment was made to him. Audit and Finance Departments contended that irregularity had been committed as the Department had appointed a retired officer on contract inspite of the ban imposed by the Government.

17. Taking into consideration the peculiar circumstances and arguments advanced by the Department, the para was recommended to be dropped with the direction that in future rules and regulations should be strictly followed.

D.P. 39 **Irregular expenditures of Rs.3.2 million on the construction of D.H.O Office and expdr: of Rs.0.630 million per annum.**

18. The Secretary of the Department admitted that wrong site was selected for the construction of DHO office, therefore, an enquiry had been ordered in the matter. Moreover, due to pressures from different walk of life, shifting to the new building could not be made in time. Now, the office had completely been shifted to its own building.

19. The Committee observed that although at a very belated stage, an enquiry had been ordered by the Secretary of the Department, yet it was felt that its ambit should be widened so as to know, that why the building was not occupied by different DHOs in time and who was at fault.

20. The Department was directed that enquiry report should be submitted to PAC within a period of 6 months. Para stands.

D.P. 50 **Fictitious expenditure of Rs.1.038 million on account of washing charges and purchase/repair of equipments.**

21. After perusal of the tender documents, it was conceded by the Secretary Health that the tender procedure was suspicious. It was observed that hand writing in tender documents was of one person. Moreover, very important point cropped up that the person who conducted the enquiry, himself was Member of the purchase Committee.

22. Under the circumstances, the PAC directed the Department that inter Departmental enquiry consisting of senior officer one each of Finance Department, Health and Audit office may be constituted to conduct enquiry in the issue agitated in the Draft Para. The enquiry should be completed within a period of three months and report be submitted to PAC. Para stands.

D.P. 55 **drawal of pay and allowances of 78 posts in excess of the sanctioned strength as per budget book for 1993-94.**

23. While pleading his case, the M.S put forth sound arguments and practical reason, but the Committee noticed that irregular procedure was adopted, by the Department. The Committee was of the opinion that difficulty did exist, but in future it should not be resorted. The Committee took lenient view and directed the Department to strictly follow the rules and no concession of in-convenience would be given by the PAC. With the above observation, the para was recommended to be dropped.

D.P. 123 **Improper maintenance of cash book theft of Rs.0.076 million.**

24. The Secretary of the Department explained that he had ordered an enquiry for the recovery. The amount would be recovered at proportionate rate from each individual involved in the issue, in light of findings of enquiry officer.

25. The Committee directed that enquiry report should be sent to PAC within a period of six months. Para stands.

D.P. 20 **Outstanding amount of Rs.8.675 million against health institutions.**

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

D.P. 8 **Non-recovery of Rs.0.060 million on A/C of reduction in prices of vehicles.**

27. In view of the plausible explanation offered by the Department that in lieu of Rs.60,000/- as a result of reduction in rate, two computer sets and one Fax Machine were provided by the Firm in the interest of Project, therefore, the para was recommended to be dropped.

D.P. 7 **Un-authorized opening of current account in commercial bank placing huge amount of Rs.6.415 million.**

28. The Department contended that no loss had been accrued to the govt: and that it was done in good faith. The Secretary of the Department went to the extent that in order to remove the practical difficulties GFR, Audit Code and Treasury Rules being very old needed amendment and up-dation.

29. The Committee agreed to his proposal and recommended to the Government to consider up-dation of the rules. Moreover, till rules are amended, the Department should follow the same in letter and spirit. With the above observation, the para was recommended to be dropped.

D.P. 6 **Non-refund of Rs.0.075 million by M/S studio-I Islamabad on A/C of production of advertisement.**

30. In view of the explanation advanced by the Department the para was recommended to be dropped.

31. The meeting was adjourned till 03/09/1998 at 10:00 A.M.

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

PROVINCIAL ASSEMBLY OF N.W.F.P.

Thursday the 3rd September, 1998

14th sitting of PAC.

1. **HOME & TRIBAL AFFAIRS DEPARTMENT.**
2. **FOREST DEPARTMENT.**

The Public Accounts Committee assembled at 10:30 A.M in the Conference Room of the Assembly Secretariat of NWFP Peshawar to examine the Audit Report on Accounts of Government of NWFP for the year 1995-96 pertaining to Home & Tribal Affairs and Forest Departments. The following were present:-

Public Accounts Committee

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|----|--|----------|
| 1. | Mr. Hidayatullah Khan Chamkani,
Speaker | Chairman |
| 2. | Haji Muhammad Adeel,
Deputy Speaker | Member |
| 3. | Mr. Farid Khan Toofan, MPA | Member |
| 4. | Mian Iftikhar Hussain, MPA | Member |
| 5. | Mian Gul Asfandyar Amir Zeb, MPA | Member |
| 6. | Mr. Ali Afzal Khan Jadoon, MPA | Member |
| 7. | Mr. Najmuddin Khan, MPA | Member |
| 8. | Mr. Bashir Khan Unerzai, MPA | Member |

Audit Department

1. Mr. Naimatullah Abid,
Director General.
2. Mr. S.M. Ayub,
Director.

3. Mr. Mutahir Shah,
Deputy Director.
4. Mr. Asif Khan,
Deputy Director.

Home & Tribal Affairs Department.

1. Mr. Ejaz Ahmad Qureshi,
Secretary.
2. Syed Kamal Shah,
Inspector General of Police.
3. Mr. Zainul Abidin,
Inspector General of Prisons.

Forest Department.

1. Mr. Ahmad Nawaz Shinwari
Secretary.
2. Mr. Shaukat Ali,
Managing Director.
3. Mr. Sher Bahadar Arbab,
Director (B&A).
4. Mr. Muhammad Sadaullah Khan,
Chief Conservator of Forest (T&C), Peshawar .

Law Department.

Mr. Muhammad Shaukat,
Deputy Secretary.

Finance Department.

1. Mr. Abdus Samad,
Additional Secretary.
2. Mr. Noorul Haq,
Deputy Secretary.
3. Mr. Hassan Nasir Jamy,
Deputy Secretary.

Provincial Assembly.

1. Mr. Abdul Hameed Khattak,
Secretary.
2. Mr. Amanullah,
Deputy Secretary-I.
2. The meeting commenced with recitation from the Holy Qura'n.
3. In his opening remarks, the Chairman, appreciated the efforts of the Home Department about the implementation of the recommendation of PAC. He hoped that the Department would keep it up and would continue their excellent performance in this regard.

HOME AND TRIBAL AFFAIRS DEPARTMENT.

D.P. 132 Non-realization of Rs.114.975 million on account of cost of Police Guards.

4. The para was discussed in greater detail. The Audit reported that a sum of Rs.114.975 million was outstands against various Departments including WAPDA, Railways and T&T etc for deploying Police Guards.
5. The Inspector General of Police explained that the outstanding accumulations on the said account till 31/12/1997 had gone up to Rs.140.094 million.
6. Both the Secretary Home and Inspector General of Police explained that all possible steps had been taken for recovery of the outstanding amount. The Finance Department supported the version of the Home Department and said that they had also made sufficient efforts for the recovery of the said amount, but with no fruitful result so far.
7. Different proposals were put forth by the Members of the Committee i.e. deduction by way of set off, which according to Law Department would be perfectly legal. But after discussing the prose and cons of the issue a lot of complications were apprehended.
8. The PAC observed that it was really a very deplorable situation that in case of any claim from the Federal Government against Provincial Government, it is

deducted at source but the converse procedure is never followed. The PAC directed that recovery should be made and the Chief Minister may be requested to take up this matter in the Federal Cabinet meeting as well.

9. To strengthen the hands of the Chief Executive, the Committee directed the Department that a letter of request and the decision of this Committee may be sent to the Hon'ble Prime Minister of Pakistan for necessary action.

10. The Finance Department was also directed to make all efforts over and above, the above observation for recovery of the said amount. Para stands.

11. As for as the matter pertaining to the Provincial Departments was concerned, the Inspector General of Police stated that recoveries were being made and there was no apprehension of Government loss.

12. The Committee directed that progress be reported to PAC within three months.

D.P. 142 **Irregular award to Govt: land costing Rs.4.094 million on lease.**

13. The para was discussed in detail. The Committee observed that despite the fact that the procedure adopted for the purchase of land by the Police Department was not at least expected from the Police Officers. This was really deplorable, the PAC remarked.

14. During the course of discussion, the Department contended that they did not require the land and would surrender the same to the Provincial Government. The Department was, therefore, directed that they should dispose of the land either through open auction, or if they so desire, may put it into some other use in the public interest or should sell it back preferably to the already occupying tenants on the present market rate.

15. The para stands. Progress be reported to PAC within a period of 3 months.

D.P. 145 **Splitting of expenditure of Rs.1.813 million.**

16. As per decision of the DAC the para was considered as dropped.

D.P. 141 **Un-authorized installation of telephone in office as well as in residence of S.P. FRP.**

17. With regard to the first portion of the para i.e. the installation of un-authorized 3 official telephone in the office of S.P. FRP Kohat, concurrence of Finance Department had already been obtained, therefore, this portion was recommended to be dropped.

18. As regard part-II of the para i.e. un-authorized installation of residential telephone, the Department explained that a summary to Chief Minister had been moved for condonation of the irregularity.

19. The Committee, after detailed deliberation, directed that condonation may be obtained from the competent authority within a period of three months. In case the Department failed to get condonation within the stipulated period, then recovery may be made from the concerned responsible officer within a further period of three months, failing which Departmental/criminal action may be taken against the concerned officer.

20. Para stands. Progress be reported to PAC.

D.P. 150 **Non submission of detailed account by the sub-ordinate offices.**

21. In pursuance of the direction of DAC and Finance Department, the Department produced voluminous record of the documents before the PAC.

22. The Audit said that it was not possible to go through the record at the moment, therefore, the PAC directed that the record should be checked/verified by the Audit within a period of three months.

23. If no loss to the Government was established, the para would be considered as dropped, otherwise the para would be stand.

D.P. 154 **Blockade of Government money worth Rs.0.478 million.**

24. After considering the arguments put forth by the Secretary, the Committee recommended that the para may be dropped. However, in future the Department should avoid blocked of Government money.

D.P. 155 **Non-recovery of Rs.0.183 million on accounts of excess payment of residential telephone charges.**

25. It was contended by the Secretary that case had been moved to Chief Minister for condonation of the irregularity. The Committee directed that condonation may be obtained from the competent authority within a period of three months, failing which recovery may be made from the concerned officer within a further period of three months.

26. In case condonation was granted, the para should be presumed to be dropped.

D.P. 156 **Excess drawal of P.O.L. worth Rs.1.890 million.**

27. The same observation as per para 155.

D.P. 157 **Excess drawal of P.O.L. worth Rs.0.150 million.**

28. The same observation as per para 155.

FOREST DEPARTMENT.

29. The Committee noted with concern that the Forest Department failed to implement the decision of the PAC to recover the amount ordered by the Committee.

30. The Secretary was directed to furnish a progress report to the Assembly Secretariat.

D.P. 703 **Un-authorized payment out of receipts amounting to Rs.0.119 million.**

31. It was contended by the Department that because of limited numbers of officials for protection of the Forest, the incentives was given under the rules. The contention of the Department was duly supported by the Law Department as well that they could legally provide rewards after confiscation of forfeiture. The Law Officer further contended that reward should be given after the decision of the Magistrate.

32. In view of the above, the para was recommended to be dropped with the observation that reward should be given strictly according to rules.

D.P. 710 1. **Non-recovery of interest of Rs.0.332 million on A/C of royalty of timber.**

2. **Non recovery of Rs.0.024 million on A/C of extension fee.**

33. From the perusal of the documents, it was established that no loss was accrued to Government. The Department had recovered the amount in excess from the FDC and regretted for the delay which occurred due to some technical reasons.

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

D.P. 540 **Loss of Rs.65.481 million to Government due to no disposal of timber lying in forests.**

35. The Secretary Forest contended that as far as dispute between FDC and Forest Department was concerned, the same had been resolved and as such, large number of timbers had been lifted to the depot. Moreover, it was stated that very negligible portion remained and to resolve the issue, District Administration had already been contacted. He hoped for good achievements.

36. Mr. Najamuddin Khan, MPA pointed out that because of delay in lifting of timber great loss had been accrued to Government. He stressed that if this delay was eliminated, the Government would gain a lot of capital.

37. The Secretary contended that because of litigations, timbers could not be lifted. The PAC directed that unless and until here was a stay order granted by the court, delay in lifting of timber should be avoided in future. Moreover, the only reason that the case was pending in the court, would not be accepted. Further more, the Department should also know about the stay period, which became infructuous after 6 months.

38. Considering the facts of the present case, as very negligible portion of timber were available, the PAC recommended that the para may be dropped and the Department should accelerate lifting of timber to avoid such type of delay.

D.P. 557 & 563 **Loss of rs.48.237 million to Government due to non payment of outstanding mounting by FDC**

39. The Department explained that recovery had been made in excess the para was recommended to be dropped.

40.

The meeting was adjourned till 07/09/1998 at 10:30 A.M.

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

PROVINCIAL ASSEMBLY OF N.W.F.P.

Monday the 4th September, 1998

15th sitting of PAC.

LOCAL GOVERNMENT, ELECTIONS AND RURAL DEVELOPMENT DEPARTMENT.

The Public Accounts Committee assembled at 10:30 A.M in the Conference Room of the Assembly Secretariat of NWFP Peshawar to examine the Audit Report on Accounts of Government of NWFP for the year 1995-96 pertaining to Local Government, Elections and Rural Development Department. The following were present:-

Public Accounts Committee

- | | | |
|----|--|----------|
| 1. | Mr. Hidayatullah Khan Chamkani,
Speaker | Chairman |
| 2. | Haji Muhammad Adeel,
Deputy Speaker | Member |
| 3. | Mr. Farid Khan Toofan, MPA | Member |
| 4. | Mian Iftikhar Hussain, MPA | Member |
| 5. | Mian Gul Asfandyar Amir Zeb, MPA | Member |
| 6. | Mr. Ali Afzal Khan Jadoon, MPA | Member |
| 7. | Mr. Najmuddin Khan, MPA | Member |
| 8. | Mr. Bashir Khan Unerzai, MPA | Member |
| 9. | Syed Manzoor Hussain Bacha, MPA | Member |

Audit Department

1. Mr. Naimatullah Abid,
Director General.

2. Mr. S.M. Ayub,
Director.
3. Mr. Murtaza Khan,
Deputy Director.
4. Mr. Asif Khan,
Deputy Director.

Local Government, Elections and Rural Development Department.

1. Mr. Farid Khan,
Secretary.
2. Mr. Attaullah Khan,
Director General.

Law Department.

1. Mr. Muhammad Shaukat,
Deputy Secretary.
2. Mr. Muhammad Saleem,
Section Officer.

Finance Department.

1. Sahibzada Riaz Noor,
Secretary.
2. Mr. Zia-ur-Rehman,
Additional Secretary.
3. Mr. Faizullah Khan,
Deputy Secretary.

Provincial Assembly.

1. Mr. Abdul Hameed Khattak,
Secretary.
2. Mr. Amanullah,
Deputy Secretary-I.
2. The meeting commenced with recitation from the Holy Qura'n.
3. At the outset, the Secretary to the Committee informed that while examining the accounts for the year 1994-95 by the PAC, a sum of Rs.8,95,984/- was

ordered to be recovered from the responsible person but so far no progress had been reported.

4. The Secretary of the Department explained that some recoveries had been effectuated, which would be intimated to Assembly Secretariat shortly. For the rest of recoveries, District Administration had already been approached, the Director General, Local Government said.

5. The Chairman directed the Department that all the recommendations of the PAC, being unanimously adopted by the House, had binding effect on the Government, therefore, the same must be implemented, and progress made in this respect so far may be intimated to Assembly Secretariat without any delay. Moreover, in future, when the recoveries are made, the same should invariably be intimated to the Assembly Secretariat.

D.P. 798 **Overpayment of Rs.0.603 million due to allowing exorbitant rates.**

6. The Audit reported that in entire Swat District Rs.13/- & 14/- was paid per rft for supply and fixing of ½ inches dia G.I. pipe for water supply scheme. Detail estimate of all schemes sanctioned by the competent authority for adjacent constituency also contained Rs.13/- per rft for the said pipe. But in the instant case, only in PF-70 for the same pipe, Rs.16/- per rft were paid without obtaining any technical sanction from the competent authority.

7. The Department contended that the claims were duly advertised and the lower rate was accepted.

8. The Finance Department also supported that excess payment was not justified, because estimates of schemes were prepared before opting to Project Committee or adopting the procedure of open tender system.

9. The Committee heard the concerned officer in person but he could not satisfy the Committee.

10. After detailed discussion, the Committee recommended that the excess amount may be recovered from the concerned officer who prepared the estimate within a

period of three months, failing which Departmental/criminal action coupled with recovery may be initiated against him. Progress be reported to PAC. Para stands.

D.P. 800 **Overpayment of Rs.1.990 million due to payment at higher rates.**

11. After detailed discussion, the Committee directed the Department that an inter Department Enquiry Committee consisting of representative of Audit, Finance and Local Government be constituted to probe into the matter. The enquiry should be conducted within a period of three months.

12. In case overpayment was established, then recovery may be made from the responsible officer within a period of three months, failing which Departmental /criminal action may be taken against him. In case over-payment was not found the para would be considered as dropped. Progress be reported to PAC.

D.P. 807 **Overpayment of Rs.1.491 million due to allowing higher rates.**

13. The Audit reported that in the office of AD, LGRDD Swat, very higher and un-reasonable rates were paid for the item earth cutting etc despite the fact that rates for the identical work i.e. kacha road during the said period and comparatively remote areas were already approved on lower side. Both the rates were approved by the Director Technical.

14. The Department contended that the works were tendered through wide publicity and lowest tender was approved. The Department further contended that the rates approved were less than the rate of schedule of C&W Department, therefore, no overpayment was made.

15. The para was discussed in minute detail. Mr. Najmudding Khan, MPA insisted on a point that as compared to the similar type of work executed by the C&W Department, the Local Government Department had benefited the treasury and no loss had been accrued to the Government. The Chairman did not agree with the Hon'ble Member, as every Department had their own rules and regulations in such like matters which should be followed by the respective Department.

16. To cover the controversy of control blasting, remote and hard areas, as pleaded by the Department, the PAC after taking lenient view recommended that a sum

of Rs. five lac may be recovered from the concerned officer within a period of three months, failing which Departmental/criminal action may be taken against him. Para stands. Progress be reported to PAC.

D.P. 810 **Overpayment of Rs.0.073 million to contractor due to incorrect calculation/measurement.**

17. It was contended by the Department that the original calculation made by the Audit was wrong. The Committee observed that at DAC level, Rs.39,587/- was ordered to be recovered. According to the Department they have thoroughly, recalculated the loss which comes to Rs.15,283/-. The same has already been recovered and deposited in the treasury, the Department explained.

18. Prima facie, the contention of the Department was found plausible. The PAC directed the Audit that calculation should be rechecked and in case the contention of the Department was found correct, then the para may be considered as dropped otherwise it would stand for recovery.

19. Progress be reported to PAC within a period of three months.

D.P. 795 **Overpayment of Rs.0.098 million due to allowing incorrect rates.**

20. The para was discussed in detail. The Committee observed that at the DAC level the Department admitted the recovery. The only point raised by the Department was about the jurisdiction of the PAC to examine the accounts of the project/programme funded by the Federal Government.

21. The representative of Law Departments stated that PAC and Audit had got the jurisdiction for the reason that Local Government, as Provincial Organization was the executing agency. So the Chairman over ruled the sole objection by the Department.

22. The PAC being competent forum in the issue under discussion, recommendation that recovery may be made from the responsible officer within a period of three months, failing which Departmental/criminal action may be taken against him. Progress may be reported to PAC. Para stands.

23. The meeting was adjourned to meet again on 08/09/1998 at 10:00 A.M.

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

PROVINCIAL ASSEMBLY OF N.W.F.P.

Tuesday the 8th September, 1998

16th sitting of PAC.

LOCAL GOVERNMENT, ELECTIONS AND RURAL DEVELOPMENT DEPARTMENT.

The Public Accounts Committee assembled at 10:30 A.M in the Conference Room of the Assembly Secretariat of NWFP Peshawar to continue examination of the Audit Report on Accounts of Government of NWFP for the year 1995-96 pertaining to Local Government, Elections and Rural Development Department.

The following were present:-

Public Accounts Committee

- | | | |
|----|--|-------------------|
| 1. | Mr. Hidayatullah Khan Chamkani,
Speaker | Chairman |
| 2. | Mr. Ali Afzal Khan Jadoon,
Minister for Law, Parliamentary
Affairs & Human Rights on
behalf of Chief Minister | Ex0officio Member |
| 3. | Haji Muhammad Adeel,
Deputy Speaker | Member |
| 4. | Mian Iftikhar Hussain, MPA | Member |
| 5. | Mr. Muhammad Ayub Afridi, MPA | Member |
| 6. | Mr. Najmuddin Khan, MPA | Member |
| 7. | Syed Manzoor Hussain Bacha, MPA | Member |
| 8. | Mr. Farid Khan Toofan, MPA | Member |

Audit Department

1. Mr. S.M. Ayub,
Director.

2. Mr. Murtaza Khan,
Deputy Director.
4. Mr. Asif Khan,
Deputy Director.

Local Government, Elections and Rural Development Department.

1. Mr. Farid Khan,
Secretary.
2. Mr. Attaullah Khan,
Director General.
3. Capt: (Rtd) Sarfaraz Khan,
Director (HQ).
4. Mr. Gul Sahib Shah
Accounts Officer.

Law Department.

1. Mr. Muhammad Shaukat,
Deputy Secretary.
2. Mr. Muhammad Saleem,
Section Officer.

Finance Department.

1. Mr. Faizullah Khan Khattak,
Deputy Secretary.
2. Qazi Muhammad Shoaib,
Budget Officer-VIII.

Provincial Assembly.

1. Mr. Abdul Hameed Khattak,
Secretary.
2. Mr. Amanullah,
Deputy Secretary-I.
2. The meeting commenced with recitation from the Holy Qura'n.

D.P. 812 **Overpayment of Rs.0.064 million due to allowing incorrect payments.**

3. The Audit claimed for loss of Rs.63,819/- accrued to the Government. The Department after conducting inquiry brought out of loss to the tune of Rs.88,819/- which seemed that the Department was clean enough to point out an excessive loss then reported by the Audit. The Department explained that Rs.44,305/- were adjusted and for the balance amount of Rs.43,716/-, the Deputy Commissioner, Kohistan had been approached for recovery of the amount as land revenue. In support of the version, the Department produced letters followed by reminder sent to Deputy Commissioner.

4. After detailed discussion, the Department was directed to pursue the matter vigorously. Moreover, the Department should write a letter on behalf of the PAC to the concerned Deputy Commission for recovery of the amount within a period of three months and report back to the PAC. Para stands.

D.P. 781 **Overpayment of Rs.0.059 million due to cutting/over-writing in rates.**

5. The over writing was shown by the Audit. The Secretary and the Director General of the Department both very honestly admitted that the rates were enhanced by over writing and cutting and assured that the recovery would be effected from the concerned officer.

6. The PAC directed that the Department should recover Rs.59,000/- from the concerned officer within a period of three months, failing which Departmental/criminal action may be taken against him. Progress be reported to PAC. Para stands.

D.P. 785 **Suspected mis-appropriation worth million of rupees due to incurrence of doubtful expenditure.**

7. After long discussion, the Hon'ble Member of PAC, Department and the Audit agreed that an inter Departmental Committee, consisting of senior representative one each of Local Government, Finance and Audit be constituted to verify as to whether actually the water supply schemes have been executed and also to examine the revised technical sanction. Report of the Committee should be submitted within a period of two months and if the answer was an affirmative then para was to be construed as dropped otherwise the para would stand.

D.P. 788 **Loss of Rs.1.347 million due to non-depositing of bank profit (interest) into the Government treasury.**

8. The Audit reported that in the office of AD, LGRDD, Mansehra, Bank profit of Rs.1.347 million was received on investment from various private banks during 1994-95. Being Government revenue it would have been deposited into the Government treasury. However, it was transferred to the account of Director General, LGRDD, NWFP Peshawar. The Finance Department supported the version of Audit.

9. The Department explained that the amount was spent on the orders of the Chief Minister on the work.

10. The Committee observed that although it was clear cut violation of para 7 of the Treasury Rules but the Department contended that on request of the then Minister for Local government to the Chief Minister, it was directed that the amount may be utilized as such, therefore the work was done. Taking into account the factual position, the para was dropped with the direction that in future no such excuse would be allowed to the Department in functioning contrary to rules and law.

D.P. 783 **Loss of Rs.0.321 million due to non-depositing of ban profit into the Government treasury.**

11. As per remarks in D.P. 788.

D.P. 806 **Loss of Rs.46.26 million due to defective administration decision on A/C of receipt of dev: education & sugar can/gur cess.**

12. From long discussion it transpired that the para needed further probe, therefore, the Hon'ble Members requested that a Sub-Committee may be constituted to arrive at a just decision. A Sub-Committee, under the Chairmanship of Syed Manazoor Hussain Bacha, MPA consisting of Mr. Najmuddin Khan, MPA, Mr. Muhammad Ayub Khan Afridi, MPA and Mian Iftikhar Hussain, MPA as members of the Committee, was constituted.

13. The Committee will submit its report with a period of two months.

D.P. 819 **Loss of Rs.0.316 million to the Government due to cutting over writing and interpolation in rates.**

14. The Committee observed that technically sanctioned estimate was changed, interpolated and enhanced which resulted a loss of Rs.3,16,000/-. When the

documents were brought into the notice of the Secretary Local Government and Director General, they straight away conceded the factum of interpolation. It was worth noticed by the Members that the enquiry officer, had deliberately misled the Department, saying that there was no cutting and interpolation. The Secretary was directed to take action against the enquiry officer as well, and the whole amount minus Rs.10,680/- may be recovered from the concerned officer within a period of three months, failing which Departmental/criminal action may be taken against him. Para stands. Progress be reported to PAC.

D.P. 924 **Irregular/unauthorized excess lying pipes worth Rs.0.1 million over and above the estimates.**

15. The para was dropped at the DAC level subject to direction to confirm as to whether physically the work was done or not. The report has been produced and the Audit Department had confirmed it. The para was accordingly dropped.

16. The meeting was adjourned till 09/09/1998 at 10:00 A.M.

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

PROVINCIAL ASSEMBLY OF N.W.F.P.

Wednesday the 9th September, 1998

17th sitting of PAC.

LOCAL GOVERNMENT, ELECTIONS AND RURAL DEVELOPMENT DEPARTMENT.

The Public Accounts Committee assembled at 10:30 A.M in the Conference Room of the Assembly Secretariat of NWFP Peshawar to continue examination of the Audit Report on Accounts of Government of NWFP for the year 1995-96 pertaining to Local Government, Elections and Rural Development Department.

The following were present:-

Public Accounts Committee

- | | | |
|----|--|-------------------|
| 1. | Mr. Hidayatullah Khan Chamkani,
Speaker | Chairman |
| 2. | Mr. Ali Afzal Khan Jadoon,
Minister for Law, Parliamentary
Affairs & Human Rights on
behalf of Chief Minister | Ex0officio Member |
| 3. | Haji Muhammad Adeel,
Deputy Speaker | Member |
| 4. | Mian Iftikhar Hussain, MPA | Member |
| 5. | Mr. Najmuddin Khan, MPA | Member |
| 6. | Syed Manzoor Hussain Bacha, MPA | Member |

Audit Department

1. Mr. S.M. Ayub,
Director.
2. Mr. Murtaza Khan,
Deputy Director.

Local Government, Elections and Rural Development Department.

1. Mr. Fareed Khan,
Secretary.
2. Mr. Attaullah Khan,
Director General.
3. Capt: (Rtd) Sarfaraz Khan,
Director (HQ).
4. Mr. Gul Sahib Shah
Accounts Officer.

Law Department.

1. Mr. Muhammad Shaukat,
Deputy Secretary.
2. Mr. Muhammad Saleem,
Section Officer.

Finance Department.

1. Mr. Faizullah Khan Khattak,
Deputy Secretary.
2. Qazi Muhammad Shuaib,
Budget Officer-VIII.

Provincial Assembly.

1. Mr. Abdul Hameed Khattak,
Secretary.
2. Mr. Amanullah,
Deputy Secretary-I.
2. The meeting commenced with recitation from the Holy Qura'n.

D.P. 723 Fictitious payment of Rs.0.313 million to contractor.

3. The Audit reported that in the office of AD, LGRD, Haripur a contractor was paid Rs.3,12,600/- for work "black topping of Khanpur by pass road" against the estimated cost of Rs.4,50,000/-. No detail measurement was shown/recorded in the M.B, but payment was allowed on lump sum measurement which clearly indicated that work was actually not executed at the time of payment.

4. The Department explained that in pursuance of the decision of DAC, a preliminary enquiry was conducted by the Divisional Director. He held some officials responsible for overpayment and instead of Rs.3,12,600/- the enquiry officer, admitted fictitious payment of Rs.48,872/-. He recommended for the recovery of the same. Accordingly, the concerned officials were charged sheeted, and subsequently another enquiry was conducted in which all the accused officials were exonerated.

5. The Audit did not agree with the plea advanced by the Department and pointed out that the contractor himself submitted an application to Secretary, Local Government with copies to Director General, Local Government and other officers of the Department to the effect that the claim was fictitious. The Audit also contended that at DAC level the official was directed to submit record before the Audit but he failed to do so, despite the fact that a responsible officer of Audit visited the office. Moreover, the site was not shown to the said Audit Officer, further more, the first enquiry officer substantiated the overpayment through solid grounds.

6. Under the circumstances, the PAC recommended that recovery of Rs.48,472/- as established in the preliminary enquiry, should be made good from the concerned officer within a period of three months, failing which Departmental/criminal action may be taken against him. Para stands. Progress be reported to PAC.

D.P. 722 **Fictitious issuance of PLA cheques amounting to Rs.28.696 million.**

7. The objection of Audit, explanation given by the Department and comments of Finance Department were discussed thread bare.

8. The Finance and Audit strongly criticized the practice adopted by the Department. The Finance Department pleaded that funds for expenditure out of the Provincial Consolidated Funds were provided by the Assembly for the currency of the financial year only. Any unspent balance that remained un-utilized stood lapsed. Moreover, according to a circular of Accountant General of N.W.F.P, any amount transferred to PLA from consolidated funds, is lapsed on the close of financial year. Thus the action of the Department to avoid lapse of funds by means of drawing cheques on or before 30th June and writing back in the next financial year was irregular, in violation of G.F.R and tantamount to parallel budgeting.

9. The Members and the Department contended that usually the Finance Department releases funds at the last leg of the financial year. If the practice adopted by the Department is not allowed, the funds for developmental works would lapse, the Member apprehended.

10. The Member of the PAC took serious note of the fact that practically funds were not provided in time.

11. The PAC directed the Secretary of the Department to take up this matter with Chief Minister for considering the practical aspect of the case to find out some solution in accordance with the rule and equity. He was also directed to convey the concern of the Members to Chief Minister. However, till then the Department should take efforts to avoid such type of irregularity as far as possible and if funds were not available with them in the first quarter they should immediately approach the Finance and PE&D Department for release of the same. In case of any lapse by the Finance Department or PE&D Department, PAC will take action against the respective Department.

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

D.P. 728 **Non production of auditable record amounting to Rs.5.513 million.**

13. The Department explained that Special Audit was being conducted and the whole record had been presented to them.

14. The Committee directed the Audit to examine the said record and if no loss to the Government was established, the para would be considered as dropped. However, if in case of any loss, the same may be recovered from the concerned officials within a period of three months.

15. Moreover, the PAC directed that there should be at least 3 to 4 copies of technical sanction placed in various office i.e. Director General, Director Technical, Divisional Director, Assistant Director, Local Government and proper file, which could, in case of cutting/overwriting, be verified.

D.P. 809 **Non production of record involving expenditure worth Rs.2.475 million incurred through District Council.**

16. The Department explained that record was available and could be produced to the Audit. The Audit was directed to examine the record and if any loss to the Government was established the same may be recovered from the concerned official, otherwise the para would be considered as dropped.

17. A question was agitated as to whether or not the Local Fund Audit could examine/audit the funds provided to local bodies form Provincial Consolidated Funds. The Law and Finance Department was of the opinion that it was within the jurisdiction of Auditor General of Pakistan and did not come with the purview of Director Local Fund Audit.

18. After detailed discussion, it was decided that the case may be sent to Auditor General of Pakistan for clarification about the jurisdiction of Director General Audit and Director Local Fund Audit in the matter.

D.P. 787 **Un-authorized promotion of work munshis to the posts of Sub-Engineer.**

19. The Department admitted the irregularity but said that on pointation, corrective measures had been taken. In view of he above, the para was recommended to be dropped.

D.P. 786 **Non-recovery of Rs.3.818 million from the project leaders in Mansehra District and Rs.8.322 million in other districts on A/C of advance payment.**

20. The Department explained that challans with regard to Rs.1,17,390/- were available which could be verified by Audit. Moreover, documents for adjustment of Rs.1,95,069/- could also be examined. The rest of recoveries are in progress.

21. The Committee directed the Audit to verify the documents. Moreover, the Department was directed that efforts be made to recover the balance amount. The Deputy Commissioner concerned was directed to get the amount recovered from the concerned persons without any delay. Para stands to the extent.

D.P. 782 **Un-authentic expenditure of Rs.2.475 million on A/C of issuance of cheque to District Council Malakand.**

22. The same remarks as per para 809.

D.P. 784 **Fictitious adjustment of fund Rs.5.277 million and irregular retention of lapsed funds Rs.7.45 million.**

23. The para was discussed in detail. The Committee taking lenient view, condoned the irregularity and directed that in future the amount spent on such service charges paid to the Bank will be recovered from the concerned officer. This leniency shall not be quoted as precedent.

D.P. 794 **Fictitious issue of cheques amounting to Rs.24.340 million.**

24. The same remarks as per para 722.

D.P. 796 **Non-recovery of Rs.0.240 million on account of advance payment.**

25. The Department explained that advances were authorized to the Project Leader. The said Project Leader had been declared defaulter. The case had been taken up with the Deputy Commissioner but the where about of the contractor was not known so far.

26. The Department further explained that under the rules 33% advance was allowed at the behest of Project Leader but in the instant case the amount paid was more than the permissible limit.

27. The Committee, therefore, directed that amount to the extent of 33% may be recovered from the Project Leader and the rest may be recovered from the officer who made the advances, within a period of three months, failing which Departmental/criminal action may be taken against him. Para stands. Progress be reported to PAC.

D.P. 792 **Un-authorized appointment of persons on the post of sub-engineers having no diploma from recognized institutions.**

28. The case was discussed in detail. The Committee observed that this issue would create a lot of implications. The Department explained that the said school had been recognized by the Technical Board of Punjab. The Committee observed that Finance, Audit, Accountant General and Local Government Department were at fault in this case.

29. Under the peculiar circumstances, the para was recommended to be dropped with the observation that such type of irregularity may not be repeated in future and this leniency may be quoted as precedence.

D.P. 793 **Irregular and un-authorized payment of Rs.11.913 million to the Chairman WAPDA for electrification.**

30. The WAPDA was once again directed to submit the record about the schemes funded by the Provincial Government to Department concerned from whom funds were received.

31. Subject to verification of the record involved in the present para, the para may be dropped.

D.P. 803 **Un-authorized and doubtful payment of Rs.1.810 million without specifying the thickness of the premix carpeting.**

32. The Department contended that in pursuance of the discussion of DAC, enquiry was conducted and the work was found of standard. In view of the above, the para was recommended to be dropped. Moreover, in future M.B. should be prepared properly.

D.P. 801 **Non-depositing of Rs.3.871 million into the Government treasury.**

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

D.P. 808 **Unauthorized possession of Government vehicle in private use.**

34. The Department explained that the vehicle had already been withdrawn.

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

D.P. 805 **Non-depositing of Rs.1.978 million into the Government treasury and un-authorized expenditure of Rs.0.425 million out of the Government receipt.**

36. The Committee observed that the procedure adopted by the Department was irregular but the Department contended that the amount was spent due to sheer

necessity and on the direction of the Chief Minister and the Minister for Local Government.

37. The PAC directed that in future no illegal orders from any forum should be followed by any Departmental officer and a dissenting note should be submitted. For compliance of illegal orders, the official responsible will be dealt with severely.

38. Subject to verification by Audit and with the above observation the para was recommended to be dropped.

D.P. 813 **Irregular expenditure of Rs.0.525 million due to gross deviation from detail estimate.**

39. The Department explained that 5 revised Technical sanction obtained had been produced before Audit. The para may be dropped.

D.P. 821 **Irregular expenditure of Rs.57.745 million on developmental works.**

40. The Department was directed that accounting procedure be adopted without any further delay in pursuance of the decision of PAC incorporated in its last report. With the above observation, the para may be dropped.

D.P. 822 **Un-authorized diversion/transfer of funds of Rs.9.600 million for purchase of vehicles out of CUP Funds..**

41. The Finance Department stated that the expenditure from the CUP Fund was approved by the Provincial Cabinet. The Committee observation that objection of Audit was quite legal but under the peculiar circumstances for the reason that in future such expenditure should come in the Supplementary Budget, lenient view was taken and the para was recommended to be dropped.

D.P. 820 **Un-authentic measurement for Rs.0.500 million.**

42. In order to find out the facts, the Audit was directed to physically inspect the site and check the required thickness of the premix carpeting. In case, loss to Government was established, then recovery is to be made from the concerned officer by the Department, otherwise, the para would be considered as dropped. In case of recovery, the same may be effectuated within a period of three month, failing which Departmental/criminal action may be taken against him

43. The meeting was adjourned to meet on 10/09/1998 at 10:00 A.M.

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

PROVINCIAL ASSEMBLY OF N.W.F.P.

Thursday the 10th September, 1998

18th sitting of PAC.

1. **PUBLIC HEALTH ENGINEERING DEPARTMENT.**
2. **PLANNING ENVIRONMENT & DEVELOPMENT DEPARTMENT.**

The 18th Public Accounts Committee was held on 10/09/1998 at 10:30 A.M in the Conference Room of the Assembly Secretariat of NWFP Peshawar to examine the Audit Report on Accounts of Government of NWFP for the year 1995-96 pertaining to Public Health Engineering and Planning Environment and Development Departments. The following were present:-

Public Accounts Committee

- | | | |
|----|--|----------|
| 1. | Mr. Hidayatullah Khan Chamkani,
Speaker | Chairman |
| 2. | Haji Muhammad Adeel,
Deputy Speaker | Member |
| 3. | Mian Iftikhar Hussain, MPA | Member |
| 4. | Mr. Najmuddin Khan, MPA | Member |
| 5. | Syed Manzoor Hussain Bacha, MPA | Member |
| 6. | Mr. Farid Khan Toofan, MPA | Member |
| 7. | Mr. Muhammad Ayub Afridi, MPA | Member |

Audit Department

1. Mr. Naimatullah Abid,
Director General.
2. Mr. S.M. Ayub,
Director.

3. Mr. Murtaza Khan,
Deputy Director.

Accountant General Office.

Mr. Javed Iqbal,
Deputy Accountant General.

Public Health Engineering Department.

1. Mr. Abdul Aziz Khan,
Secretary.
2. Mr. Abdul Jamil,
Chief Engineer.
3. Mr. Ghulam Saeed Khan,
Superintending Engineer.
4. Mr. Naeem Anjum,
Deputy Secretary.
5. Syed Daud Shah,
Accounts Officer.

Planning Environment & Development Department.

1. Mr. Iftikhar Ali Shah,
Secretary.
2. Mr. Masood Bangash,
Director General, S.D.U.

Planning Environment & Development Department.

Mr. Abdul Hamid,
Chief Engineer.

Law Department.

1. Mr. Muhammad Shaukat,
Deputy Secretary.
2. Mr. Muhammad Saleem,
Section Officer.

Finance Department.

1. Mr. Abdul Siddique,
Additional Secretary.
2. Mr. Abdus Samad,
Additional Secretary.
3. Mr. Rashid Ahmad,
Deputy Secretary.
4. Mr. Noorul Haq,
Deputy Secretary.

Provincial Assembly.

1. Mr. Abdul Hameed Khattak,
Secretary.
2. Mr. Amanullah,
Deputy Secretary-I.
2. The meeting commenced with recitation from the Holy Qura'n.

PUBLIC HEALTH ENGINEERING DEPARTMENT

D.P. 13 Suspected mis-appropriation of Rs.0.052 million on account of purchase of ceiling fans.

3. The contention of the Audit about the irregularity committed by the Department was established. However, the Committee observed that at DAC level it was decided to verify as to whether or not actually the ceiling fans were installed. In the light of decision of DAC, enquiry was conducted, which proved that the ceiling fans were installed.

4. The PAC of the opinion that although it was an irregular deed in all respect as tender was not floated, items were not taken on stock register, purchase was made from the irrelevant head etc yet the Department explained that ceiling fans were installed for chowdidars and class-IV employees.

5. In view of the explanation of the Department, the para was recommended to be dropped with the direction that such irregularity may not be repeated in future .

D.P. 16 **Suspected mis-appropriation of Rs.3.068 million.**

6. After detailed discussion the Committee directed the Secretary, Public Health Engineering Department to constitute an inter Departmental Committee under the Chairmanship of Mian Iftihar Hussain, MPA consisting of senior representative, one each of Audit, Accountant General, Public Health Engineering and Law Departments to probe into the matter and submit report within two months. Para stands.

D.P. 15 **Irregular purchase of vehicle costing Rs.1.659 million.**

7. The Department explained that record was verified and settled at DAC level.

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

D.P. 17 **Loss of Rs.0.045 million to Govt: due to excess on deposits received.**

9. The Department explained that a sum of Rs.1,30,000/- had been recovered from Municipal Committee, D.I. Khan and Rs.47,950/- were outstanding. Efforts were made to make the recovery good but with no fruitful result.

10. The Finance Department supported the Department and explained that procedure adopted by the Department for deposit work was in order.

11. After detailed discussion the Department was directed to recover the balance amount from Municipal Committee D.I. Khan within a period of three months. Moreover, the Committee directed the Department to take up the case with Secretary Local Government for timely recovery of the balance amount from the quarter concerned. Para stands to that extent. Progress be reported to PAC.

D.P. 19 I) **Wasteful expenditure of Rs.38.693 million due to non-energisation of schemes by WAPDA**

II) **Un-necessary blockade of huge developmental funds amounting to Rs.1.797 million.**

12. It was contended by the Department that all schemes except one had been energized. Hectic efforts were made by the Department as well as the Chief Executive of the Province for taking up case with WAPDA for energizing the said scheme.

13. The PAC directed that WAPDA should energize the said scheme within a period of three months. Moreover, the Department was directed to vigorously peruse the case with WAPDA.

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

D.P. 26 Un-necessary blockade of Govt: money amounting to Rs.0.761 million.

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

PLANNING, ENVIRONMENT & DEVELOPMENT DEPARTMENT.

16. The Chairman asked the Department that progress with regard to recoveries and implementation of the recommendation of PAC for the year 1994-95 duly adopted by the House, has not yet been intimated. The Department stated that certain recoveries were made good and assured that the name would be intimated to the Assembly Secretariat shortly.

D.P. 936 Non submission of detail account in support of payment of Rs.9.998 million.

17. Subject to verification of the record by the Audit, the para was recommended to be dropped.

D.P. 927 Loss of Rs.0.876 million due to non-awarding work to the lowest bidder.

18. The Secretary PE&D Department admitted loss accrued to the state by not accepting lowest tender. The Director (works), Agriculture University i.e. the concerned officer was head in person, but he could not satisfy the Committee. The Finance Department was of the view that loss made to the Government was due to negligence of officers and they were liable to be proceeded against. The Committee, therefore, directed that the amount involved in the para may be recovered from the concerned officers who accepted higher rate. The amount should be recovered within period of three months, failing which Departmental/criminal action coupled with recovery may be initiated. Progress may be reported to PAC. Para stands.

D.P. 4 **Loss of Rs.0.426 million due to gross deviation from the approved PC-I.**

19. After detailed discussion, the Committee directed the Secretary PE&D Department to constitute an Inter Departmental Enquiry Committee consisting of representative of PE&D, Audit, Finance and Law Departments to probe into the matter that why deviation was made from the original PC-I and who prepared the revise PC-I putting the Government to a loss of Rs.4.260 million.

20. Enquiry may be conducted within a period of three months and report may be presented to PAC. Para stands.

D.P. 937 **Irregular/un-economical expenditure of Rs.0.130 million on purchase of various equipments.**

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

D.P. 1 **Irregular expenditure of Rs.0.622 million.**

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

D.P. 2 **Un-justified payment of Rs.3.667 million.**

23. After detailed discussion, the PAC directed the Secretary PE&D to constitute an Inter Departmental Committee consisting of representative of PE&D, Finance, Law and Audit Departments under the Chairmanship of Mr. Muhammad Ayub Afridi, MPA to probe into the matter that why the survey was not conducted through Departmental Engineer. Para stands. Progress be reported to PAC.

D.P. 3 **Doubtful payment of Rs.0.295 million.**

24. The Committee observed that the sub contract was not vetted through Law and Finance Departments and the same time directives of DAC were also ignored.

25. The Department was directed to approach the Finance Department as decided tin DAC meeting, and if it was cleared that the Government amount was paid to contractor and he was not supposed to have taken the air conditioner etc, then it should be recovered from the concerned officer within a period of three months failing which

Departmental/criminal action may be taken against him. However, the official is at liberty to settle his accounts with the contractor.

D.P. 5 **Non-recovery of Rs.1.460 million from the contractor on account of mobilization.**

26. The representative of the Irrigation Department stick to the terms of agreement which was objected to by the PE&D Department that it was not vetted by the Finance and Law Departments. The representative of the Department was directed to comply with the directive of DAC and if it was found that it was mobilization advance, then recovery may be made from the concerned officer within a period of three months, failing which Departmental/criminal action may be taken against him. However, he is at liberty to settle his accounts with the contractor.

27. The meeting was adjourned till 14/09/1998 at 10:00 A.M.

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

PROVINCIAL ASSEMBLY OF N.W.F.P.

Monday the 14th September, 1998

19th sitting of PAC.

COMMUNICATION & WORKS DEPARTMENT.

The Public Accounts Committee met at 10:30 A.M in the Conference Room of the Assembly Secretariat of NWFP Peshawar to examine the Audit Report on Accounts of Government of NWFP for the year 1995-96 pertaining to Communication & Works Department. The following were present:-

Public Accounts Committee

- | | | |
|----|--|----------|
| 1. | Mr. Hidayatullah Khan Chamkani,
Speaker | Chairman |
| 2. | Haji Muhammad Adeel,
Deputy Speaker | Member |
| 3. | Mian Iftikhar Hussain, MPA | Member |
| 4. | Syed Manzoor Hussain Bacha, MPA | Member |
| 5. | Mr. Farid Khan Toofan, MPA | Member |
| 6. | Mr. Muhammad Ayub Khan Afridi, MPA | Member |

Special Invitee

Syed Ali Shah, Minister for Communication & Works.

Audit Department

1. Mr. Naimatullah Abid,
Director General.
2. Mr. S.M. Ayub,
Director.
3. Mr. Habib-ur-Rehman,
Audit Officer.

Accountant General Office.

Mr. Javed Iqbal,
Deputy Accountant General.

Communication & Works Department.

1. Mr. Abdul Hamid Khan,
Secretary.
2. Mr. Inamullah Khan,
Chief Engineer.
3. Mr. Muhammad Shafi,
Chief Engineer.
4. Mr. Muhammad Islam,
Sub-Engineer.

Law Department.

1. Mr. Muhammad Shaukat,
Deputy Secretary.
2. Mr. Muhammad Saleem,
Section Officer.

Finance Department.

Mr. Zia-ur-Rehman,
Additional Secretary.

Provincial Assembly.

1. Mr. Nazir Ahmad,
Secretary.
2. Mr. Amanullah,
Deputy Secretary-I.
2. The meeting commenced with recitation from the Holy Qura'n.
3. At the outset of the meeting, the Chairman stressed upon the Administrative Secretary to take personal interest to implement the recommendations of PAC made in its last meetings duly adopted by the Assembly.

D.P. 314 **Overpayment of Rs.0.921 million due to non-utilization of available earth.**

4. The Department contended that reasonable percentage of available earth had already been deducted from 5 Nos of works. About one work, they explained that the situation was such that transportation of excavated earth being uneconomical, would have caused loss to the Government, instead of benefit.

5. About deduction, the PAC directed the Audit to verify it. However, with regard to one unutilized earth, the PAC agreed with contention of the Secretary this time. However, the Committee directed that unless and until there was a technical sanction, the Department should not resort to type of action. With the above observation, the para was recommended to be dropped.

D.P. 999 **Overpayment of Rs.0.458 million due to payment at incorrect rates.**

6. It was contended by the Department that full recovery had been made. Moreover, preliminary enquiry had been conducted and disciplinary action is being taken against the person/persons responsible under the rules.

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

D.P. 595 **Overpayment of Rs.0.108 million due to less deduction of rebate.**

8. The Department contended that the work was carried out purely in the interest of Government and revised technical sanction had already been obtained.

9. In view of the above, the para was recommended to be dropped with the direction that no such irregularity may be repeated in future.

D.P. 596 **Overpayment of Rs.0.331 million due to application of incorrect conversion factor.**

10. The Audit reported that according to the contract agreement, prevailing practice and detailed technically sanctioned estimate, a conversion factor of “0.6” was applicable to earth filling in lawns and not 0.89. By doing so the contractor was over paid Rs.3,30,576/-. The M.B. showed that for similar work, “0.6” was applied but in the instant case, application of 0.89 was not called for, which resulted into loss to the Government.

11. The Department explained that the earth work is duly compacted which can be checked even now on any site, therefore, conversion factor “0.89” is justified.

12. After detailed discussion, the Committee recommended that the overpayment made, may be recovered from the concerned XEN, SDO and Sub-Engineer on equal share within a period of three months, failing which Departmental/criminal action may be taken against them and progress may be reported to PAC. Para stands. However, if payment was made voluntarily, then no action whatsoever be taken and not adverse entry in the ACR be recorded.

D.P. 614 **Overpayment of Rs.0.223 million.**

13. The para was deferred till 15/091998 for scrutiny of the record i.e. BOQ etc by Mr. Muhammad Ayub Khan Afridi, MPA and Audit officials.

D.P. 940 **Overpayment of Rs.0.14 million to the carriage contractor.**

14. The Secretary of the Department promised that recovery would be made within a week’s time and record could be made available to Audit.

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

D.P. 946 **Overpayment of Rs.0.105 million due to less recovery of DRR charges.**

16. The Department explained that total recovery had been made.

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

D.P. 951 **Overpayment of Rs.0.053 million to contractor due to cutting in the work order.**

18. The Department explained that facts finding enquiry was conducted. The findings of enquiry were very important. The work order was examined and it was proved the enquiry officer that the words “onward” was deleted and XEN, SDO, Divisional Accountant and Head Clerk of the Division were held responsible and suggest for reprimand. They have accordingly been charge sheeted.

19. In view of the above, the PAC directed that recovery of the overpayment may be made from all the responsible officers/officials within a period of three months, failing which the Departmental/criminal action may be taken against them. However, in case the recovery was made, voluntarily no disciplinary action and adverse entry in the ACR be recorded. Para stands. Progress be reported to PAC.

D.P. 953 **Overpayment of Rs.0.058 million by splitting up an item of work.**

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

D.P. 640 **Loss/overpayment of Rs.0.826 million.**

21. Full recovery had been made, the para was recommended to be dropped subject to verification by the Audit.

22. The meeting was adjourned till 15/09/1998 at 10:00 A.M.

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

PROVINCIAL ASSEMBLY OF N.W.F.P.

Tuesday the 15th September, 1998

20th sitting of PAC.

COMMUNICATION & WORKS DEPARTMENT.

The Public Accounts Committee met at 10:30 A.M in the Conference Room of the Assembly Secretariat of NWFP Peshawar to continue examination of the Audit Report on Accounts of Government of NWFP for the year 1995-96 pertaining to Communication & Works Department. The following were present:-

Public Accounts Committee

- | | | |
|----|--|-------------------|
| 1. | Mr. Hidayatullah Khan Chamkani,
Speaker | Chairman |
| 2. | Mr. Ali Afzal Khan Jadoon,
Minister for Law, Parliamentary
Affairs & Human Rights on
behalf of Chief Minister | Ex-officio Member |
| 3. | Mr. Muhammad Bashir Khan Umerzai, MPA | Member |
| 4. | Mian Iftikhar Hussain, MPA | Member |
| 5. | Syed Manzoor Hussain Bacha, MPA | Member |
| 6. | Mr. Farid Khan Toofan, MPA | Member |
| 7. | Mr. Muhammad Ayub Khan Afridi, MPA | Member |
| 8. | Nawabzada Mohsin Ali Khan, MPA | Member |

Audit Department

1. Mr. Naimatullah Abid,
Director General.
2. Mr. S.M. Ayub,
Director.
3. Mr. Habib-ur-Rehman,
Audit Officer.

Accountant General Office.

Mr. Javed Iqbal,
Deputy Accountant General.

Communication & Works Department.

1. Mr. Abdul Hamid Khan,
Secretary.
2. Mr. Inamullah Khan,
Chief Engineer.
3. Mr. Muhammad Shafi,
Chief Engineer.
4. Mr. Muhammad Islam,
Superintending Engineer.

Law Department.

1. Mr. Muhammad Shaukat,
Deputy Secretary.
2. Mr. Muhammad Saleem,
Section Officer.

Finance Department.

S. Karamat Ali,
Deputy Secretary.

Provincial Assembly.

1. Mr. Nazir Ahmad,
Secretary.
2. Mr. Amanullah,
Deputy Secretary-I.
2. The meeting commenced with recitation from the Holy Qura'n.

D.P. 947 **1. Loss/overpayment of Rs.0.236 million due to allowing higher rates.**

2. Suspicious un-authorized expenditure of Rs.0.472 million

3. The Department explained that enquiry in this case was conducted and the official were dealt with under the E&D Rules, Subsequently, the officials were exonerated by the Authority from the charges leveled against them.

4. After detailed discussion, the Committee recommended that loss of Rs.2,36,100/- may be recovered from the XEN concerned within a period of three months, failing which Departmental/criminal action may be taken against him. However, he at liberty to settle his account with the contractor. Moreover, if recovery was made voluntarily, no action be taken against him

5. The rest of the portion of the para was recommended to be dropped.

D.P. 947 **1. Loss/overpayment of Rs.0.167 million .**
2. Un-authorized/un-justified and irregular expenditure of Rs.0.317 million.

6. After detailed discussion, the PAC directed that illegal orders of any forum whether written or verbal, had no value and should not be complied with.

7. The contention of Audit was found correct, but after considering the mitigating circumstances, as the work was carried out on the verbal orders of the then Minister for Planning and Development/Finance, therefore, the PAC taking a lenient view recommended that half of overpayment of Rs.1,67,000/- may be recovered from the concerned XEN within a period of three months, failing which Departmental/criminal action may be taken against him. Para stands. Progress be reported to PAC.

D.P. 882 **Overpayment of Rs.0.365 million due to incorrect excessive rates allowed.**

8. The Department explained that the para related to Education Department, therefore, the Director General Audit was directed to refer it to Education Department so that the same could be discussed in the PAC in the presence of the said Department.

9. To the extent of C&E Department, the para was recommended to be dropped.

D.P. 671, 672 & 764 **Overpayment of Rs.7.950 million due to allowing incorrect escalation.**

10. The Committee observed that at DAC level it was decided that enquiry in the matter pertaining to escalation of rate may be conducted. Accordingly, enquiry was conducted and after discussing all the aspect available on record, the Enquiry Officer had fully endorsed the observation of Audit and established that the overpayment of Rs.15,97,000/- was not justified. With regard to the terminology of the words

“escalation” and “price adjustment” the enquiry officer clearly stated that there was no difference between the two words. The Committee was of the view that it was just to favour the contractor by using different words. The Committee was of the view that it was favour the undertaking given by the contractor clearly provided that escalation clause was operative for a period not exceeding 30 months from the date of commencement and in the presence of that undertaking, grant of escalation/price adjustment beyond the completion of 30 months was not justified. Moreover, according to enquiry officer, NESPAK was fully responsible and at the same time responsibility on C&W officials and DAO can not be ruled out as payment to contractor was made after final verification by them.

11. After detailed discussion, the PAC recommended that full amount may be recovered from NESPAK. The Department was directed that if they have any pending bills of the NESPAK the amount should be recovered from their outstanding bill.

12. With regard to the involvement of Government officials in the case, the Department was directed to issue warning to all concerned to be careful in future and not repeat such irregularity.

13. With regard to wrong calculation of rebate, the Audit pointed out that a sum of Rs.1,67,200/- was over paid to contractor which the PAC directed that the same may be recovered from the responsible officers of the Department within a period of three months, failing which Departmental/criminal action may be taken against them.

14. Regarding the purchase of asphalt plant and the contract agreement, the PAC directed the Department that an inter Departmental Committee consisting of senior officer one each from C&W, Finance, Law and Audit be constituted to probe into the matter and submit their findings within a period of two months. Para stands. Progress be reported to PAC.

D.P.1016 Overpayment of Rs.0.794 million due to allowing higher rates.

15. The Committee observed that the objection taken by the Audit Department to the extent of one coat seemed genuine. But the circumstances were such that fresh coats were applied after the lapse of almost 5 years, because the Prime Minister of

Pakistan had to visit the Hospital, which was converted into General Hospital, therefore, the requirement was necessary.

16. Under the circumstances, the para was recommended to be dropped with the observation that this concession will not be allowed in future and this may not be quoted as precedent.

17. The meeting was adjourned till 16/09/1998 at 10:00 A.M.

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

PROVINCIAL ASSEMBLY OF N.W.F.P.

Wednesday the 16th September, 1998

21st sitting of PAC.

COMMUNICATION & WORKS DEPARTMENT.

The Public Accounts Committee met at 10:30 A.M in the Conference Room of the Assembly Secretariat of NWFP Peshawar to continue examination of the Audit Report on Accounts of Government of NWFP for the year 1995-96 pertaining to Communication & Works Department. The following were present:-

Public Accounts Committee

- | | | |
|----|--|----------|
| 1. | Mr. Hidayatullah Khan Chamkani,
Speaker | Chairman |
| 2. | Haji Muhammad Adeel,
Deputy Speaker. | Member |
| 3. | Mr. Muhammad Bashir Khan Umerzai, MPA | Member |
| 4. | Mian Iftikhar Hussain, MPA | Member |
| 5. | Syed Manzoor Hussain Bacha, MPA | Member |
| 6. | Mr. Farid Khan Toofan, MPA | Member |
| 7. | Mr. Muhammad Ayub Khan Afridi, MPA | Member |
| 8. | Sahibzada Muhammad Sabir Shah, MPA | Member |

Audit Department

1. Mr. Naimatullah Abid,
Director General.
2. Mr. S.M. Ayub,
Director.
3. Mr. Habib-ur-Rehman,
Audit Officer.

Accountant General Office.

Mr. Elahi Bakhsh,
Assistant Accountant General.

Communication & Works Department.

1. Mr. Abdul Hamid Khan,
Secretary.
2. Mr. Inamullah Khan,
Chief Engineer.
3. Mr. Muhammad Shafi,
Chief Engineer.
4. Mr. Muhammad Islam,
Superintending Engineer.

Law Department.

1. Mr. Muhammad Shaukat,
Deputy Secretary.
2. Mr. Muhammad Saleem,
Section Officer.

Finance Department.

S. Karamat Ali,
Deputy Secretary.

Provincial Assembly.

1. Mr. Nazir Ahmad,
Secretary.
2. Mr. Amanullah,
Deputy Secretary-I.
2. The meeting commenced with recitation from the Holy Qura'n.

D.P. 752 Loss of Rs.15.165 million due to non-recovery of interest on mobilization.

3. The para was discussed in detail. The Department explained that there was no clause in the contract agreement in light of which the recovery could have been made.

4. On of the Members of the PAC, being well conversant with the subject matter, explained that interest was not charged on mobilization advance. The Department further stated that especially in the case of world donors projects. There was no provision to change interest on mobilization advance, whereas the Audit contended that only for would bank assisted project, procurement procedure of donors would be followed, which also over rules the GFR and Treasury Rules.

5. The PAC observed that the issue in question involves some misunderstanding of interpretation, and apparently, no malafide intention is involved. Under the circumstances giving the benefit of bonafide, the para was recommended to be dropped with the observation that in future all contact agreements must be vetted by the Law and Finance Department.

D.P. 614 **Overpayment of Rs.0.233 million.**

6. The para was thoroughly deliberated upon by Mr. Muhammad Ayub Khan Afridi, Member of Committee who was assigned the job. The loss of Rs.2,32,000/- was established, which was agreed to by the Audit and Department.

7. Taking a lenient view, the Committee recommended that a sum of Rs.1,00,000/- may be recovered from the officer who opened the tender and accepted the same within a period of three months, failing which Departmental/criminal action coupled with recovery may be taken against him. However, they are at liberty to settle their accounts with the contractor. Para stands. Progress be reported to PAC.

D.P. 1013 **Loss of Rs.0.150 million to Government due to work done at risk and cost of contractor.**

8. The Department straight away admitted the version of Audit saying that security should have been recovered from the original contractor. The PAC, therefore, recommended that the amount involved, may be recovered from the contractor within a period of three months. In case the recovery was not made from him, the same may be effectuated from the concerned XEN within a period of three months, failing which Departmental/criminal action may be taken against him. Progress be reported to PAC. Para stands.

D.P. 933 **Loss of Rs.1.2 million due to abnormal delay in approval of tenders.**

9. The Committee observed that out of 27 pre-qualified firms, only one bidder namely MSHMC Taxila responded to the NIT, which was not in conformity with the rules, therefore, the Department had sent back the case to the client Department i.e. SDU. The delay occurred because of the fault of SDU.

10. Under the circumstances, the para was recommended to be dropped. The Members of PAC were of the opinion that whatever may be the capacity of SDU, they should avoid to put Government to such loss in future.

11. The Committee directed the Secretary, C&W Department that this observation may be sent to the Chief Minister for further necessary action against SDU which were involved in such nefarious affairs and progress be reported to PAC.

D.P. 930 **Loss of Rs.0.982 million due to allowing higher rate under clause 12 in anticipation of technical sanction.**

12. The Department contended that preliminary enquiry was conducted which proved the irregularity. However, the enquiry officer was of the opinion that the work has been done within the authorized appropriation and no excess expenditure is involved.

13. The Secretary further contended that formed Departmental Enquiry under the E&D Rules was in the final stage and the accused officer was charge sheeted and a chance of personal hearing would be given to him by the Chief Secretary, which is awaited.

14. Under the circumstances, as for as recovery was concerned, it was established that loss was accrued to the Government but as the work was completed, therefore, taking a lenient view the para was recommended to be dropped and the case was left for the decision of Chief Secretary to determine the guilt or otherwise of the official without resorting to the decision of the PAC about non recovery.

D.P. 956 **Loss due to irregular and un-economical award of work.**

15. The Department explained that the contract was awarded on turn key basis. The Committee observed that work was executed in a manner and procedure, in contravention of law and rules. However, Department contended that on the directive of

the then Chief Minister, a Committee under the Chairmanship of Chief Secretary consisting of the then Advisor to Chief Minister, Secretary S&GAD, Secretary Finance, and Secretary C&W as members of the Committee was constituted. The said Committee awarded the contract. Similarly the terms and mode of payment was also determined by the said Committee. Deduction of earnest money or security were not available in the contract agreement. The work has since been completed by the firm and handed over to the Department. All unserviceable stores articles have been auctioned and the record was available for verification by the Audit Department. The Department added that money was duly deposited in the Government treasury.

16. The reply of the Department was found plausible, therefore, the para was recommended to be dropped. The Committee took strong exception about the procedure adopted by such high powered Committee. The Committee was informed that some Members of the Committee were dead.

17. The PAC directed the Department that displeasure and concern of the PAC may be conveyed to the alive Member with a view that in case they are provided in future, they should be very careful.

D.P. 1001 Loss of Rs.0.792 million to Government due to acceptance of higher rates.

18. The para was discussed in detail. The Department contended that the whole record was available for verification by the Audit Department and premium were allowed under the new schedule of 1993. The Audit Department pointed out vide para-6 of the enquiry report attached to working paper, wherein the Department admitted loss of Rs.1,60,000/- and proceeded under the E&D Rules. Although the Secretary, C&W Department in the meeting of PAC adopted another stance, saying that after calculation, the result would be different.

19. After detailed discussion the Committee agreed that the Department was bound by their written reply submitted to PAC duly signed by the Secretary.

20. Taking into consideration the arguments of both the sides, the Committee was of the opinion that whatever may be the case, some recovery should be effected so

that in future the Department while placing their documents before the PAC should be careful and not take it lightly.

21. Under the circumstances, the PAC directed the recovery of Rs. one lac from the concerned officer within a period of three months, failing Departmental/criminal action may be taken against him. Para stand. Progress be reported to PAC.

D.P. 241 **Loss of Rs.0.150 million due to mis-application of rate.**

22. In view of the already approved composite rate as contended by the Department, no irregularity had been committed, therefore, the para was recommended to be dropped.

D.P. 998 **Loss of Rs.0.073 million due to damage of chiller.**

23. The Department contended that the issue related to Industries Department. With regard to the point of insurance, it was contended by the Department that period was expired and its renewal would have caused great loss to Government. The delay was because of dispute with Industries Department. The para was recommended to be dropped.

D.P. 560 **Loss of Rs.0.064 million to Government due to issue of store at lesser rates.**

24. The para was discussed in detail. The relevant documents were shown to Audit. The XEN who was held liable by the enquiry officer happened to be present before the PAC. He drew the attention of the Committee to the enquiry conducted against him and said that at the very outset, he has raised objection against the enquiry officer.

25. The argument put forth by him was quite convincing. The para was recommended to be dropped with the observation that the Department while submitting their working paper should bring full facts before the PAC, otherwise, in future other stand of the Department than the one submitted in the working paper would not be allowed.

D.P. 995 **Ill-planning of Department resulting loss of Rs.2.058 million.**

26. The Department explained that because of dispute over the site, the original site was changed and 150' bore was done by the contractor. The Department

obtained a certificate from the contractor that he would not claim for 150' bore. The land cost was awarded by the LAC which was final. The work was duly advertised and it was now complete.

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

- D.P. 648** 1) **Loss of Rs.2.561 million due to execution of defective work.**
2) **Non recovery of Rs.2.766 million.**
3) **Non production of auditable record.**
4) **Premature/un-authorized release of security deposit Rs.1.395 million.**

28. In view of the plausible explanation of the Department that the defects of works were moved on the risk and cost of original contractor, the para was recommended to be dropped.

D.P. 656 **Mis-appropriation of store valuing Rs.0.474 million.**

29. The Department explained that full recovery has been made.

30. In view of the above, the para was recommended to be dropped subject to verification by Audit.

D.P. 991 **Suspected misappropriation of store costing Rs.4.063 million.**

31. Subject to verification of the documents that no loss was made to the Government, the para was recommended to be dropped.

D.P. 574 **Suspected mis-appropriation of empty Tar drums amounting to Rs.0.204 million.**

32. The Audit reported that in Highway Division Mardan, bitumen were issued directed to various roads for patches repair during 91-92, 92-93 and 93-94. 1710 empty tar drums were made available with local office as the work was executed through Departmental labour. The same were required to have been taken on stock register and disposed of through open auction. It was noted that neither the same were taken on stock register nor auctioned and apprehended to have been misappropriated.

33. The Department explained that the empty tar drums had been fixed on road side curves and approaches of bridges. However, no documentary proof was available with the Department in support of their contention. This clearly supported and

strengthened the version of Audit Department that empty drums worth Rs.2.,03,585/- have been mis-appropriated.

34. After detailed discussion, the PAC recommended that a sum of Rs.1,50,000/- may be recovered from the concerned XEN, SDO and Store Keeper on equal share within a period of three months, failing which Departmental/criminal action may be taken against them. Para stands. Progress may be reported to PAC.

D.P. 835 **Non-accountal of store worth Rs.0.20 million in the stock register.**

35. The Audit pointed out that in the C&W Department Rs.2,00,000/- was allotted for the purchase of stationery during 1992-93. Against which stationery for Rs.2,07,045/- was purchased. The stationery was not taken on the stock register as required vide rule 148 of the G.F.R. The Audit further added that this para was like on ice berg, which led to dig-out a sum of Rs.33,00,000/- as loss to the Government on account of purchase of stationery, as is evident from the enquiry report conducted by Mr. Ahmad Ali, Superintending Engineer, C&W Department.

36. After detailed discussion, the PAC directed that Rs.2 lac may be recovered from the officer concerned, failing which Departmental/criminal action may be taken against him. Para stands. Progress may be reported to PAC. However, the Audit Officer was directed to bring fresh para in the light of enquiries conducted in this case.

37. The meeting was adjourned till 17/09/1998 at 10:00 A.M.

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

PROVINCIAL ASSEMBLY OF N.W.F.P.

Thursday the 17th September, 1998

22nd sitting of PAC.

COMMUNICATION & WORKS DEPARTMENT.

The Public Accounts Committee met at 10:30 A.M in the Conference Room of the Assembly Secretariat of NWFP Peshawar to continue examination of the Audit Report on Accounts of Government of NWFP for the year 1995-96 pertaining to Communication & Works Department. The following were present:-

Public Accounts Committee

- | | | |
|----|--|-------------------|
| 1. | Mr. Hidayatullah Khan Chamkani,
Speaker | Chairman |
| 2. | Mr. Ali Afzal Khan Jadoon,
Minister for Law, Parliamentary
Affairs & Human Rights on
behalf of Chief Minister | Ex-officio Member |
| 3. | Syed Manzoor Hussain Bacha, MPA | Member |
| 4. | Mr. Muhammad Bashir Khan Umerzai, MPA | Member |
| 5. | Mr. Farid Khan Toofan, MPA | Member |
| 6. | Mr. Muhammad Ayub Khan Afridi, MPA | Member |
| 7. | Mian Iftikhar Hussain, MPA | Member |

Audit Department

1. Mr. Naimatullah Abid,
Director General.
2. Mr. S.M. Ayub,
Director.
3. Mr. Habib-ur-Rehman,
Audit Officer.

Accountant General Office.

Mr. Elahi Bakhsh,
Assistant Accountant General.

Communication & Works Department.

1. Mr. Abdul Hamid Khan,
Secretary.
2. Mr. Muhammad Shafi,
Chief Engineer.
3. Mr. Muhammad Islam,
Superintending Engineer.

Law Department.

Mr. Muhammad Shaukat,
Deputy Secretary.

Finance Department.

S. Karamat Ali,
Deputy Secretary.

Provincial Assembly.

1. Mr. Nazir Ahmad,
Secretary.
2. Mr. Amanullah,
Deputy Secretary-I.
2. The meeting commenced with recitation from the Holy Qura'n.

D.P. 943 Non-recovery of hire charges of machinery/vehicle amounting to Rs.1.154 million.

3. The Department explained that total recovery had been made.
4. Subject to verification by the Audit within a week's time, the para was recommended to be dropped.

D.P. 994 **Non-recovery of cost of stores Rs.4.301 million.**

5. The Department contended that maximum amount had been recovered, and only a balance of Rs.1,56,000/- was in arrear. The Department assured that the rest of recoveries would be made within a period of three months.

6. Subject to verification of the recovery, the para was recommended to be dropped. However, with regard to arrears, the PAC directed that the same may be recovered from the persons indicated by the Department in the working paper within a period of three months. However, if the recovery was not made in time, the same may be made from the officers on whose fault the Government was put to loss. In case of failure, Departmental/criminal action coupled with recovery may be initiated. Progress be reported to PAC.

D.P. 945 **Non recovery of DRR idle days charges amounting to Rs.0.092 million.**

7. After detailed discussion, the Committee directed that as already decided in the DAC meeting, recovery may be effectuated from the officers, within a period of three months on whose fault the Government was put to loss. However, the offices are at liberty to settle their accounts with the contractor. Moreover, a margin of 3 days may be given in each work and the amount calculated to that extent may be deducted from the loss and the balance be recovered. Para stands. Progress be reported to PAC.

D.P. 942 **Non-recovery of room rent and TTC charges amounting to Rs.0.535 million.**

8. The Department explained that full amount had been recovered, therefore, the para was recommended to be dropped.

D.P. 92 **Non recovery of Rs.1.052 million form the contractor.**

9. The Department explained that irrespective of the fact that the case was pending in the civil court but as there was no stay order, full recovery had been made.

10. Subject to verification by the Audit, the para may be dropped.

D.P. 1017 **Non-recovery of Rs.0.083 million from the contractor on account of cost of long outstanding store.**

11. The Department presented the latest position stating that full recovery had been made, therefore, the para was recommended to be dropped subject to verification by the Audit.

D.P. 809 **Loss of Rs.0.394 million due to non recovery of lease money.**

12. The Department explained that full amount had been recovered, the para was, therefore, recommended to be dropped.

13. The Committee desired that a letter of appreciation may be sent to Mr. Abdul Hamid Khan, Secretary C&W for making good recoveries.

D.P. 935 **Un-authorized and un-economical expenditure worth Rs.2.065 million.**

14. With regard to first objection of Audit, the Department contended that earnest money and security of the contractor was forfeited.

15. As regards objection of Audit about bifurcation of works, it was quite relevant. However, the Department stated that the C&W was executing agency and at the behest of education being client Department, bifurcation was done just to make the scheme practicable. The Department further contended that the work as done within the approved technical sanction and administrative approval. Moreover, codel formalities were completed and no excess was made.

16. Taking into consideration the peculiar circumstances, the para was recommended to be dropped with general observation that in future all Departments should give their full requirements in respect of a scheme to the executing Department before tenders are invited. In case of failure, subsequent change unless and until very essential will not be acceptable, the Chairman remarked.

D.P. 948 **Fictitious expenditure of Rs.0.139 million.**

17. The Audit reported that in the office of XEN, C&W Division Karak Rs.2,63,666/- were paid to a contractor for various items of work including Rs.1,38,656/- for 1" thick premix carpeting in a 1st and final bill. According to C&W specifications six M.T. bitumen was required for the purpose but no bitumen was issued to him from the Government store. The legitimacy of expenditure was thus questionable.

18. The Department explained that total bitumen 41 metric ton costing Rs.3,70,110/- was issued to contractor for different road in different dates and was recovered from contractor through different vouchers.

19. The Audit objected that if the recovery was made, it should have been brought to their notice in time.

20. The PAC observed that the objection of the Audit was perfectly valid to the extent that if the recovery was made in the year 1992 it should have been brought to the notice of the Audit which was conducted in 1993. Moreover, at DAC level this fact was not brought before the Committee.

21. At later stage, after perusal of the documents produced by the Department the Audit observed that only one metric ton bitumen was found to have been issued for Sabir Abad Road. The Members of the PAC were of the opinion that sometime the contractor may purchase it from open market, as he was not bound to purchase the same from store.

22. Keeping in view this position, the para was recommended to be dropped with the observation that full facts with documentary proof must be brought to the Director General, Audit Office at the first available opportunity and the non production of documents at DAC level shall not be acceptable at all.

D.P. 929 **Un-authorized payment of Rs.10.00 million from the maintenance grant of N.W.F.P. C&W Department.**

23. The Department contended that it was urban road which was shifted to PDA. The amount had been transferred on the instructions of Finance Department. The PDA was the executing agency. The Finance Department supported the contention of the Department, hence the para was recommended to be dropped.

D.P. 950 **Irregular and un-authorized expenditure of Rs.23.590 million.**

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

D.P. 535 **Expenditure of Rs.9.004 million in absence of budget allotment.**

25. The Secretary, C&W Department explained that a sum of Rs.18 lac of the Federal Government was available with them and he assured that it could be adjusted against the amount.

26. The Committee agreed with the assurance of the Department and directed that the amount should be adjusted. The para was recommended to be dropped with the observation that in future they should not exceed the limit and not violate financial rules and discipline.

D.P. 949 **Un-authorized expenditure of Rs.10.352 million over deposit receipt.**

27. The Audit reported that in Highway Division, D.I. Khan P.W. Deposit-III register for 1993-94 revealed that excess expenditure of Rs.10.352 million were incurred over and above the deposit receipt. Incurrence of expenditure without fund was irregular.

28. The Department explained that the expenditure on the works financed by the Federal Government was incurred with the hope that the grants would be provided. Accordingly expenditure was incurred but grants were not arranged during that period which resulted excess over deposit. The matter was brought in the notice of the higher ups and efforts were made to arrange the funds even during 1992-93.

29. The matter was discussed in the DAC meeting on 23/11/1995, wherein it was decided that the para stands.

30. As per directive of DAC, the PAC directed the Department to pursue the case with Finance Department to settle the issue.

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

D.P. 996 **Irregular an un-classified expenditure amounting to Rs.0.620 million.**

32. The Department explained that ex-post facto sanction had been obtained. In view of the above, the para was recommended to be dropped with the observation that the General Financial Rules should strictly be followed.

D.P. 993 **Unjustified expenditure of Rs.0.615 million under clause 12.**

33. The main objection of the Audit about the original BOQ was replied to by the Department stating that a high powered Committee consisting of the Chief Secretary, Additional Chief Secretary, Secretaries C&W and Finance Departments at the behest of the client Department acted under clause-12. Payment was regularized and duly supervised by the supervised by the Additional Chief Secretary and other concerned Secretaries.

34. Under the circumstances, the para was recommended to be dropped with the direction that clause 12 should not be exercised in future in such haphazard.

D.P. 335 **Un-authorized expenditure of Rs.0.696 million.**

35. The Department explained that the house was declared as official residence of the Chief Minister and the expenditure was, therefore, incurred.

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

D.P. 997 **Un-authorized expenditure of Rs.0.378 million on the repair of schools.**

37. The Department contended that there were 18 schools and the amount was spent on the demand of Education Department.

38. Subject to verification of the demands by the Audit the para was recommended to be dropped.

D.P. 906 **Non-clearance of minus balance of Rs.3.305 million.**

39. It was contended by the Department that this Department was just recipient of the machinery, the purchase was made by the Industries Department. The matter was between the Accountant General and Industries Department and that will be adjusted accordingly. The C&W Department has no concern, the Secretary contended. In view of the above, the para was recommended to be dropped. However, Financial and Industries Departments should settle the matters.

D.P. 1010 **Non-clearance of Government dues amounting to Rs.24.874 million outstanding against various agencies lying in misc: P.W. advance.**

40. The Secretary, C&W Department admitted that the amount was required from various quarters i.e. factories and Government officials etc.

41. The PAC directed the Department to reconcile the accounts with the factories within a period of three months.

42. The recoveries from all concerned should be made within a period of three months, failing which Departmental/criminal action may be taken against them. Para stands. Progress be reported to PAC.

D.P. 1012 **Un-verified expenditure of Rs.6.599 million.**

43. The Department explained that M.B. has been misplaced. The Committee noted with grave concern that how such a basic and initial document was misplaced.

44. The PAC directed that an Inter Departmental Inquiry Committee under the Chairmanship of Mr. Muhammad Ayub Khan Afridi, MPA and consisting of representative of Audit, Accountant General and C&W Department may be constituted to probe into the matter that who was responsible for the loss of M.B.

45. The Committee directed that drastic action may be taken against the official held responsible for the loss of M.B. Progress be reported to PAC. Para stands.

D.P. 1014 **Arbitration award of Rs.0.435 million to contractor.**

46. The Department explained that condonation was not required and the nomenclature of the scheme was changed and payment was genuine because of arbitration of award.

47. The PAC directed that the Department should get condonation from the Finance Department within a period of one month.

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

49. The meeting was adjourned sine die.

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