

TABLE OF CONTENTS

<i>S.No.</i>	<i>Department</i>	<i>Date of meeting</i>	<i>Page No.</i>
1.	<i>Introduction</i>		<i>1-5</i>
<i>Audit Report</i>			
2.	<i>Environment</i>	<i>12/07/2010</i>	<i>6-20</i>
3.	<i>Higher Education, Archives & Libraries</i>	<i>13/07/2010</i>	<i>21-31</i>
4.	<i>Elementary & Secondary Education</i>	<i>13/07/2010</i>	<i>32-35</i>
5.	<i>Food</i>	<i>13/07/2010</i>	<i>36-39</i>
6.	<i>Communication & Works</i>	<i>14/07/2010</i> <i>15/07/2010</i>	<i>40-55</i>
7.	<i>Irrigation</i>	<i>15/07/2010</i>	<i>56-61</i>
8.	<i>Home & Tribal Affair</i>	<i>15/07/2010</i>	<i>62-65</i>
9.	<i>Agriculture, Livestock & Cooperation</i>	<i>16/07/2010</i>	<i>66-69</i>
10.	<i>Health</i>	<i>16/07/2010</i>	<i>70-80</i>
<i>Reports of Verification of Record Committee, Sub-Committees and Inter Departmental Committees.</i>			
11.	<i>Report Verification of Record Committee</i>	<i>19/07/2010</i>	<i>81-84</i>
12.	<i>Agriculture (VOR)</i>	<i>19/07/2010</i>	<i>84-86</i>
13.	<i>Food (VOR)</i>	<i>19/07/2010</i>	<i>87-88</i>
14.	<i>Establishment & Administration (VOR)</i>	<i>19/07/2010</i>	<i>88-89</i>
15.	<i>Schools & Literacy</i>	<i>19/07/2010</i>	<i>89-90</i>
16.	<i>Zakat, Usher, Social Welfare & Women Development (VOR)</i>	<i>19/07/2010</i>	<i>90</i>
17.	<i>Industries (VOR)</i>	<i>19/07/2010</i>	<i>90-91</i>
18.	<i>Home & Tribal Affairs (VOR)</i>	<i>19/07/2010</i>	<i>91-97</i>
19.	<i>Local Government</i>	<i>19/07/2010</i>	<i>97-98</i>
20.	<i>Higher Education</i>	<i>19/07/2010</i>	<i>99-100</i>
21.	<i>Health</i>	<i>19/07/2010</i>	<i>101-110</i>
22.	<i>Environment</i>	<i>19/07/2010</i>	<i>111-113</i>
23.	<i>Planning & Development</i>	<i>19/07/2010</i>	<i>114-115</i>
24.	<i>Sports, Culture & Tourism</i>	<i>19/07/2010</i>	<i>116-117</i>
25.	<i>Irrigation</i>	<i>19/07/2010</i>	<i>117-122</i>
26.	<i>Board of Revenue</i>	<i>19/07/2010</i>	<i>122-128</i>
27.	<i>Works & Services</i>	<i>19/07/2010</i>	<i>129-137</i>

28.	<i>Report of inter Departmental Committees</i>	<i>19/07/2010</i>	<i>137-139</i>
29.	<i>Sub Committee No.3, Health (2003-04)/Appeal</i>	<i>19/07/2010</i>	<i>139-144</i>
<i>Audit report on Revenue Receipts</i>			
30.	<i>Excise & Taxation</i>	<i>20/07/2010</i>	<i>145-155</i>

CHAIR'S FOREWORD

The Public Accounts Committee has a key role in exercising scrutiny over the execution of Budget that the legislatures approve. The responsibilities of the PAC cover the area of oversight traditionally referred to as fiscal audits, which focus exclusively on the examination of Government expenditures to assure that funds appropriated by the parliament have been spent legally and as the parliament intended.

In the developed countries, the audit is conducted to examine as to whether the value for money has been achieved or otherwise, whereas our Audit usually takes very petty issues therefore, the Audit Department is required to improve the audit system and evolve a mechanism of taking into account the performance based audit, so that it is ensured that the sum granted by the Assembly is used on the purpose for which it was granted and to see that the requisite target was achieved or otherwise.

It was the earnest desire of the PAC to examine the up to date report of the Auditor General of Pakistan for the financial year 2009-10 to meet the international standards of fiscal oversight and to obtain productive results in improving the financial discipline in the Province. Hence, latest Report of the Auditor General of Pakistan should be laid before the House at the closing of each financial year as required under Article 171 of the Constitution.

All of us are answerable to the Almighty Allah for the decisions we make, therefore, we should make fair and just decisions which would help to improve the Financial Management System of the Province.

It is once again noted with grave concern that the Administrative Departments still do not take the PAC directives/recommendations seriously in its true spirit as the Departments miserably failed to implement and follow up the directives of PAC. The PAC directives required to be executed with-in shortest possible time is not executed even after the lapse of years. Such tendencies of the Administrative Departments badly distress the improvement of the Financial Management System.

I extend thanks to the Members of PAC, officers of the Administrative Departments, officers of the Auditor General's office, the representatives of Law and Finance Departments for their support in accomplishing the difficult and challenging assignment.

I also extend my special thanks to the officers and staff of the PAC Cell Provincial Assembly of Khyber Pakhtunkhwa for their guidance & support to the Committee and untiring efforts in arranging meetings and compiling the data in this book form.

(KIRAMAT ULLAH KHAN)
Speaker/Chairman,
Public Accounts Committee

P R E F A C E

Under the Constitution of the Islamic Republic of Pakistan, the disbursement from the Provincial Consolidated Fund requires the approval of the Provincial Assembly. While authorizing huge sum of the tax payer's money, the Assembly has a right to reassure itself that the moneys so granted were steered to the intended purpose and were spent prudently and in accordance with law/rules. The Assembly oversees expenditure through its Public Accounts Committee, on the basis of Appropriation Accounts, Finance Accounts and Audit Reports prepared by the Auditor-General of Pakistan, as required under Article 171 of the Constitution of Islamic Republic of Pakistan.

The Auditor General's Report for the year 2005-06 was laid in the Provincial Assembly of Khyber Pakhtunkhwa on 08/03/2010. The Assembly referred the same to the Public Accounts Committee for detailed examination.

The Public Accounts Committee decided to take stock of the same. In a series of meetings of the Committee held from 12/07/2010 to 20/07/2010 spanning over seven (7) sittings at Khyber Pakhtunkhwa House, Abbottabad discussed and examined the Audit Report for the year 2005-06.

The Provincial Assembly Secretariat is appreciative of the guidance and motivation received from Chairman, Public Accounts Committee, Mr. Kiramatullah Khan and other Members of the Committee which helped us to publish the report in hand.

This report of the Public Accounts Committee on the Auditor General's Report for the year 2005-06 is presented to the Provincial Assembly of Khyber Pakhtunkhwa under Rule 161 of the Provincial Assembly of Khyber Pakhtunkhwa Procedure and Conduct of Business Rules, 1988, it is hoped that suggestions and recommendations of the Committee would encourage and assist the Government in strengthening up the system and procedure for constructive financial management.

(AMANULLAH)

Secretary,
Provincial Assembly of NWFP

Peshawar the 2nd June, 2011

INTRODUCTION

In pursuance of Article 171 of the Constitution of Islamic Republic of Pakistan the annual report of the Auditor General of Pakistan on the Accounts of Government of Khyber Pakhtunkhwa for the year 2005-06, received in the Assembly Secretariat on 25-02-2010, was laid before the House on 08-03-2010 under rule 198 of the Provincial Assembly of Khyber Pakhtunkhwa Procedure and Conduct of Business Rules, 1988. The House referred it to the Public Accounts Committee (PAC) on the same day for detailed examination.

2. The PAC decided to examine the Auditor General of Pakistan Report for the year 2005-06 being the latest one in hand at that time. It conducted a series of meetings commencing from 12th July 2010 to 20th July 2010 spanning over seven (07) sittings at Khyber Pakhtunkhwa House, Abbottabad, in which the Audit Report and the Audit Report on Revenue Receipts for the year 2005-06, were examined, besides follow up of the PAC directives/recommendations for the years 1997-98, 2001-02, 2002-03 & 2003-04 and Reports of the Sub-Committees and Inter Departmental Committees for the years 2003-04 & 2004-05 were also examined and discussed in detail. Apart Report of the Committee constituted for Verification of Record (VOR) was also presented before the committee. The PAC went through the decisions and recommendations of Verification of Record Committee and in almost all cases upheld its decisions/recommendations and appreciated the efforts of Mr. Saqibullah Khan Chamkani, MPA/Chairman VOR Committee for his dedication and curiosity in accomplishing the longstanding/challenging task assigned to him.

3. Due to the absence of Administrative Secretaries, the Committee did not examine the Accounts of Health and Agriculture Departments as a protest, which were later on discussed on 21-02-2011, in the Conference Room of the Assembly Secretariat, Peshawar.

PROCEEDINGS

4. The Committee examined the Audit Report for the year 2005-06 consisting of seventy seven (77) Draft Paras, which involved irregularities like:-

- Overpayments on account of contracts, pay and allowances etc amounting to Rs.1.368 million.
- Non-submission of adjustment account amounting to Rs. 4.370 million.
- Unauthentic expenditure/retention due to violation of rules, procedure and propriety of Rs.253.643 million.
- Non-recovery/non deposit of Government dues including sales tax, income tax, fines of Rs.81.403 million.
- Blockage of Government funds amounting to Rs.13.766 million.
- Non-accountal of stores and stocks amounting to Rs.20.631 million.
- Unverified expenditure due to non-production of record of Rs. 16.436 million.
- Excess expenditure of Rs. 17.250 million.
- Loss to government amounting to Rs. 127.554 million.
- Encroachment on government land of Rs. 68.040 million.
- Purchase of equipments below specification of Rs. 1.150 million.

5. In order to address the above issues, the Principal Accounting Officers were directed to:-

- i. Strengthen internal controls.
- ii. Ensure compliance with rules, regulations and propriety.
- iii. Maintain complete and correct accounts.
- iv. Prevent recurrence of irregularities.
- v. Investigate cases of losses and non-accountal of stores.
- vi. Affect recovery of government dues and ensure its deposit in the Government treasury.
- vii. Regularize the cases of unauthorized payments.
- viii. Hold DAC meetings regularly.
- ix. Finance Department is required to contribute :
 - a. to appoint qualified auditors in the departments.
 - b. to provide funds for capacity building of the departments.

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

Department	Total DPs	Dropped	Verification of Record	Recovery	Depttl: Action	Sub-Committee	Pending
Higher Education	10	01	02	--	04	03	--
Elementary & Secondary Education	03	--	02	--	01	--	--
Environment	18	02	06	03	06	01	--
Food	02	--	--	01	01	--	--
Irrigation	07	01	03	01	02	--	--
Communication & Works	19	07	09	01	02	--	--
Home & Tribal Affairs	04	03	--	01	--	--	--
Agriculture	02	--	--	01	01	--	--
Health	12	04	03	04	--	01	--
Total	77	18	25	12	17	05	-

GENERAL OBSERVATIONS

7. During examination of Audit Report for the year 2005-2006, in addition to the observations on each para incorporated in this report the PAC made the following General Observations also:-

➤ DEPARTMENTAL ACCOUNTS COMMITTEE

8. The main function of DAC is to discuss the Audit objections, raised in Advance Paras as soon as these are communicated to the Departments and to dispose off petty nature issues at that forum so that only genuine issues could be reported to PAC in time. Any delay on its part would kill the spirit of accountability process. Contrary to that abnormal delay of years was noticed by the PAC during the current series of meetings.

9. The PAC, therefore, directed the Departments to hold DAC meetings with in sixty days after communication of the advance paras. In case of failure by the Department to hold DAC within stipulated time, the Audit department was directed to convert the same advance paras into Draft Paras and reflect it in the Auditor General's report without any delay.

➤ COMMENTS OF THE FINANCE DEPARTMENT

10. The PAC noted with grave concern that the comments of the Finance Department recorded in the working paper regarding Draft Paras of each Department were vague and not more than an eye wash as it was not carrying any solid observation. It, therefore, directed the Finance Department to record proper comments according to the nature of the case to facilitate the job of the Committee in future.

➤ NON-ATTENDANCE OF PAC MEETINGS BY PRINCIPAL ACCOUNTING OFFICERS.

11. The Public Accounts Committee noted that the Administrative Secretaries did not give due importance to the PAC business so much so that they avoid to appear before the PAC personally and most often rely on their subordinates. It was noticed that usually they were neither well versed to respond to the queries of the Hon'ble Members nor they were in a position to make any decision at their own during the meeting due to

which many meetings of the Committee were postponed and huge expenditure on arranging meetings went all in vain as well as precious time of the Honorable Members and government officers was wasted. It, therefore, directed that the Principal Accounting Officers being Chairmen of the DACs must attend the PAC meetings as they are supposed to be in a better position to explain the case before the PAC. In any case they are not in a position to attend the PAC meeting; they should depute their next senior most officers not below the rank of Additional Secretary with prior permission of the Chairman PAC.

➤ **NON IMPLEMENTATION OF DAC DECISIONS.**

12. It was observed by the Committee with heavy heart that in most cases, particularly that of conducting inquiries, affecting recoveries and verification of records the decisions of DAC were not implemented by the Departments as a result a large number of Advance Paras were converted into Draft Paras and reflected in the Audit Report for placing before PAC. On one hand this shows the inefficiency of the Principal Accounting Officers (PAOs) who being the Chairmen of DAC, made such recommendations but practically failed to implement the same and on the other hand they negate their own decisions resultantly these Paras are placed before the PAC and the valuable time of the PAC is wasted in follow up of the DAC directives which was otherwise required to be done by the Administrative Departments.

13. In such circumstances, the DAC forum becomes useless, seems to be a futile exercise and wastage of time / government money as the decisions made in the DAC would not yield any fruitful result unless its decisions are implemented in its true spirit. The Departments are required to devise proper mechanism for follow up the DAC decisions.

ENVIRONMENT DEPARTMENT

Eighteen (18) Draft Paras reflected in the Audit Report for the year 2005-06 were taken up for examination by the PAC in its meeting held on 12th July, 2010.

The following were present:-

Public Accounts Committee.

- | | | |
|----|-----------------------------------|-----------|
| 1. | Mr. Kiramatullah Khan, Speaker | Chairman. |
| 2. | Syed Muhammad Sabir Shah, MPA | Member |
| 3. | Mr. Mukhtiar Ali, MPA | Member |
| 4. | Mr. Saqibullah Khan Chamkani, MPA | Member. |
| 5. | Syed Muhammad Ali Shah Bacha, MPA | Member |
| 6. | Mr. Fazal Shakoor Khan, MPA | Member |

Finance Department.

1. Mr. Masood Ahmad,
Additional Secretary.
2. Mr. Masood Khan,
Deputy Secretary (PAC).

Audit Department.

1. Mr. Javed Iqbal,
Director, Audit.
2. Mr. Jan Israr,
Deputy Director.
3. Mr. Shamsul-Haq,
Audit Officer.

Environment Department.

1. Mr. Zahur Ahmad Khan Khalil,
Secretary.
2. Mr. Saeed-uz-Zaman,
Chief Conservator, Wildlife.
3. Mr. Nazir Muhammad,
Chief Conservator, Forests.
4. Mr. Lal Muhammad,
Director, Budget & Accounts.
5. Mr. Abdur Rashid Awan,
General Manager (OPS).

Provincial Assembly of Khyber Pakhtunkhwa.

1. Mr. Amanullah,
Secretary.
 2. Mr. Amjad Ali,
Additional Secretary.
 3. Mr. Inamullah Khan,
Deputy Secretary,
3. The PAC having considered Audit point of view and explanation advanced by the Department, made recommendations on each Para as under:-

D.P. 3.1 ENCROACHMENT ON GOVT. LAND – RS.68.04 MILLION.

Audit Version

4. In the year 2004-05, in the Gallies Forest Division Abbottabad, Government land measuring 32 kanal and 12 marlas worth Rs. 68.04 million (Rs. One lac per marla) was encroached by the local residents. Range Forest Officer did not remove the unauthorized encroachment which is violative to section-87 of the NWFP Forest Ordinance 2007. In July 2005 when the issue was brought to the notice of concerned Division, it was informed that the issue was in the notice of higher authorities and was being vigorously pursued. The para was also discussed in the DAC meeting held in February 2006 wherein the Department contended that the cases were pending in the courts of law. The DAC directed that the case may be pursued in the court vigorously and responsibility may be fixed, but no result has been reported.

Departmental Version

5. Since the case was under trial in various courts of law, the concerned quarter as well as Forest Standing Council Abbottabad was regularly pursuing these cases. Out of 24 encroachment cases, two have been decided in favour of the Department during 9/2005 and the land vacated.

PAC Observation

6. The Members wanted to know as to when the encroachment was made and when was the report prepared? The Department replied that the report was finalized before the audit was conducted. During the course of examination of the report it was

found that on certain encroached land, construction was carried out by the encroachers. The committee observed that while carrying out construction work, it was the prime responsibility of the Forest Officer to have stopped the illegal construction. It was, therefore, apprehended that the Forest Officer has not done justice to his duty and has not acted upon timely. Record further revealed that there was difference of quantity of land as pointed out in the Audit Para and the documents advanced by the Department. The Committee, therefore, could not reach to a just conclusion.

PAC Recommendation/Directive

7. After detailed discussion, the Committee referred the para to Sub Committee comprising the following for detailed scrutiny within one month.

- | | | |
|----|----------------------------------|----------|
| 1 | Syed Muhammad Sabir Shah, MPA | Chairman |
| 2. | Syed Muhammad Ali Shah Bacha,MPA | Member |
| 3. | Mr. Malik Tamash Khan,MPA | Member |

However, the Department was directed to vigorously pursue the cases in the court of law.

D.P. 3.2 LOSS DUE TO NON-POSSESSION OF TIMBER VALUING RS. 24.77 MILLION.

Audit Version

8. In the year 2002-03, in the Divisional Forest Office Agror Tanawal Mansehra, 399 prosecution cases involving timber valuing Rs. 2,47,86,048/- were registered. However, the said cases did not show custody of timber as required under the Forest Ordinance 2002. Non safeguarding of the Government timber resulted loss to the Government. The para was discussed in the DAC meeting in 2006 wherein DFO replied that the local staff was not in the position to arrest the offenders. The DAC observed that under the law, the timber was to be placed in the custody and directed that FIR should be lodged against the accused and DFO should report within 20 days but with no result.

Departmental Version

9. The Audit Party has not properly comprehended the merit of the case property. It was contended that the forest offenders have taken away all the cut over material from the sites and there remained nothing for taking into possession as case property. The plea of the Audit about causing loss to the Government was termed as unjustified. It was added that the cases were pending in the court of law for adjudication.

PAC Observation

10. The PAC inquired about total quantity of illicitly cut timber and cases evolved. The Department was not in a position to give the exact figure to the committee. The PAC, during the course of discussion, observed that the cases have not been properly pursued.

PAC Recommendation/Directive

11. After detailed discussion, the PAC directed the Department that the cases may be vigorously pursued in the court of law through responsible officers.

12. Para stands. Progress to be reported to PAC.

D.P. 3.3 NON-RECOVERY OF GOVERNMENT REVENUE AMOUNTING TO RS.20.06 MILLION.**Audit Version**

13. In the year 2003-04, in the office of DFO Peshawar, 4753 cases in respect of various forest offences involving timber worth Rs. 20.06 million were pending in the courts of law. The cases were not pursued resulting in non realization of Government revenue. It was discussed in the DAC meeting in September 2005, wherein it was directed to pursue the case but still with no response.

Departmental Version

14. Only 1723 and not 4753 cases, as reported by the Audit, valuing Rs.2,31,85,138/- were pending in various courts of District Peshawar, Nowshera and Charsadda. On the abolishing of the Magistracy System, the posts of Forest Magistrates were also abolished on 01/07/2001 and the cases were shifted to the Civil Courts for trial. Due to heavy workload, the concerned courts could not dispose of the cases. In view of the PAC recommendation, the Peshawar High Court sanctioned the post of Special Forest Magistrates which was later on cancelled.

PAC Observation

15. The PAC observed that out of 3469 cases, 390 have been decided which comes to almost 10%. The main reason for delay in the disposal of forest cases was due

to the abolition of Magistracy System in view of the Local Government Ordinance. The PAC was of the view that the only solution for speedy trial of such cases is that the Peshawar High Court may be approached to appoint/nominate Civil Judges to deal with exclusively the forest cases. Moreover, special permission should be given to such Magistrates to go and carry out spot inspection of the occurrence, or alternatively the Department may consult the Law Department to revive the old Magistracy System in the public interest.

PAC Recommendation/Directive

16. After detailed discussion, the PAC directed the Department to consult the Law Department immediately for the revival of the old Magistracy System to deal with the forest cases and if consensus is developed for legislation, Bill may be submitted to the Provincial Assembly for introducing in the coming session to be held shortly. However, if revival of the Magistracy System involved any complication, then the Department may collect complete data of the forest cases and the amount involved therein and time spent in various courts, and prepare comprehensive case for the consideration of the Chief Justice of Peshawar High Court to exclusively nominate Civil Judges to deal with the forest cases. Para stands. Progress be reported to PAC within one month.

D.P. 3.4 UN-AUTHORIZED RETENTION OF GOVERNMENT REVENUE – RS. 3.97 MILLION.

Audit Version

17. During the years 2003-05, in the Divisional Forest Office Agror Tanawal Mansehra, Government revenue amounting to Rs. 3.97 million was retained in suspense account instead of crediting to the Government account. Such retention was unauthorized. In the DAC meeting held in 2006, the Department contended that certain amount had been transferred to revenue and the remaining amount was being transferred. The DAC directed to credit the amount to the respective head of account within ten days but with no response as yet.

Departmental Version

18. Amount referred to by the Audit was realized from the Chairmen of various Joint Forest Management Committees as 15% sales tax on timber. The amount

being disputed was deposited in the P-deposit. The Chairmen did not agree for deduction of 15% sales tax. They obtained stay order from the court, hence the amount could not be transferred to any other head. Apart, the Chairmen approached the Sales Tax Department for refund of the amount kept in P-deposit, and on the direction of the President of Pakistan, an amount of Rs.34,30,791/- was refunded and the remaining amount of Rs.4,75,259/- was still lying in the P-deposit being subjudice.

PAC Observation

19. The PAC observed that the DAC directed to credit the amount to the respective head of account within ten days, which was not implemented. It was not refunded till 2008 i.e. till the order of the President. It was remarked that why the Department lingered on the issue and waited till the issuance of the order by the President.

PAC Recommendation/Directive

20. After detailed discussion, the PAC upheld the decision of DAC and directed that responsibility for making abnormal delay in implementing the decision of the DAC may also be fixed within one month. Para stands. Progress be reported to PAC.

D.P. 3.5 NON RECOVERY OF GOVERNMENT REVENUE – RS.1.49 MILLION.

Audit Version

21. In the office of DFO Kaghan, Rs. 1.49 million as house rent, lease money, timber duty, saw-mills extension fee was not recovered, resulting into violation of Para-28 of the GFR Vol-I.

Departmental Version

22. The amount has already been recovered and can be shown to Audit for verification. The Audit contended that original challans may be shown as promised in the DAC.

PAC Observation

23. The PAC lamented that the Department failed to submit original challans of recovery to the Audit in time. Had it been produced, the time of the PAC would not have been unnecessarily consumed.

PAC Recommendation/Directive

24. Subject to verification of original challans in respect of recovery by Audit today, the para was recommended to be dropped.

D.P. 3.6 NON-SUBMISSION OF ADJUSTMENT ACCOUNT – RS.1.05 MILLION.**Audit Version**

25. In the office of DFO, Agror Tanawal, Rs.1.05 million were received in Cash Book as deduction from various officials, but it was not brought into account.

Departmental Version

26. The para was settled in the DAC meeting.

PAC Observation

27. It was observed that there was difference of opinion between the Audit and Department about the settlement of the para in the DAC meeting. Both were advancing different versions. The main reason of said difference was that the Department has not properly minuted the decision of the DAC.

PAC Decision

28. After detailed discussion, the PAC directed that detailed and exhaustive DAC minutes, as previously observed by the PAC, must be recorded and invariably be signed by the participants. However, in case of difference of opinion, the same must be reflected in the minutes for examination/consideration by the PAC.

29. Subject to verification of record that the amount was recovered, the para was recommended to be dropped.

D.P. 3.7 LOSS DUE TO DAMAGES IN FOREST – RS.8,10,300/-.**Audit Version**

30. The Audit reported that in the office of the Divisional Forest Officer, Agror Tanawal, Mansehra, losses due to illegal cutting of trees valuing Rs.8,10,300/- were not regularized from the competent authority.

Departmental Version

31. An inquiry has been conducted in the case. In view of the said inquiry, persons held responsible by Audit, were not found guilty, hence were exonerated by the competent authority.

PAC Observation

32. The PAC observed that the inquiry was defective and the Audit observed that in view of defective inquiry, the Department was hesitant to submit a case for write off sanction despite clear cut decision of the DAC.

PAC Recommendation/Directive

33. The PAC upheld the decision of DAC and directed the Department to get write off sanction from the Finance Department about the loss made to the Government within a month time. Para stands progress be reported to PAC.

D.P. 3.8 BLOCKAGE OF GOVERNMENT MONEY – RS.7,96,502/-.**Audit Version**

34. The Audit reported that in the office of Divisional Forest Officer Agror Tanawal, Mansehra Rs.7,96,502/- were recovered from the Joint Forest Management Committee and deposited in Habib Bank, Allied Bank, Muslim Commercial Bank and the Bank of Khyber instead of carrying out the activities of harvesting, regeneration and other developmental works.

Departmental Version

35. The Department explained that the amount in question is regarding Forest Development Fund which is kept in joint account run by the Chairman JFMC and DFO

concerned and utilized for carrying out developmental activities with the consent and collaboration of JFMC. It further explained that the amount would be utilized after finalizing the plans.

PAC Observation

36. It was observed that the amount could not be utilized due to the fact that certain plans were improper and defective.

PAC Recommendation/Directive

37. The Department was directed that complete work plan may be prepared for utilization of the amount pending with the Department. DFO concerned should go to the owners himself and persuade them for utilization of the amount in the public interest. New plantation be carried out in the respective areas till end of September and the Assembly Secretariat may be informed enabling the Members of the PAC to physically inspect the site and check progress of the Department. Para stands. Progress be reported to PAC.

D.P. 3.9 OVER PAYMENT OF PAY AND ALLOWANCES – RS.6,82,116/-.

Audit Version

38. The Audit reported that in the office of Divisional Forest Officer, Siran and Agror Tanawal, Mansehra, inadmissible annual and advance increments were paid to 14 contract employees which resulted in over payment of Rs.6,82,116/-

PAC Recommendation/Directive

39. In view of the plausible explanation of the Department that increments were allowed to contract employees in view of Contract Policy, the para was recommended to be dropped.

D.P. 3.10 NON-RECOVERY OF ROYALTY AND EXTENSION FEE – RS.5,78,095/-

Audit Version

40. The Audit reported that the in the office Divisional Forest Officer, Agror Tanawal, Mansehra, Rs.5,78,095/- as royalty and saw-mill extension fee were not recovered which resulted in non recovery of Government dues.

Departmental Version

41. The Department explained that the same had been recovered and record was ready for verification by Audit.

PAC Recommendation/Directive

42. Para stands till verification of original record by audit.

D.P. 3.11 NON-RECOVERY OF GOVERNMENT DUES – RS.4,75,280/-**Audit Version**

43. The Audit reported that in the office of Principal Sarhad Forest School, Abbottabad, Rs.4,75,280/- were not recovered on account of Sui Gas charges, Tuition fee, absence period fine, house rent allowance, hostel room rent and 5% maintenance charges.

Departmental Version

44. The Department explained that recovery of Rs.1,54,667/- had been made and rest of the amount would be recovered. The Principal of the School further explained that recovery from Mr. Sajjad Ahmad, Ex-Hostel Warden was not justified in view of the prevailing rules. Similarly, recovery against Mr. Shabir Ahmad who has not occupied the accommodation was also not justified.

PAC Observations

45. The PAC observed that the amount should have been recovered in time. However, with regard to the room rent, it accepted the contention of the Principal.

PAC Recommendation/Directive

46. After detailed discussion, it was decided that recovery except the official mentioned above, may be carried out within three months. Para stands. Progress be reported to PAC.

D.P. 3.12 NON-RECOVERY OF FINE – RS.4,29,215/-.**Audit Version**

47. The Audit reported that the Divisional Forest Officer, Siran Mansehra,

imposed fine of Rs.1.628 million on Joint Forest Management Committees for illegal cutting of forest out of which Rs.4,20,028/- was not recovered. Similarly Rs.9,187/- were also not recovered as house rent allowance which resulted in non recovery of Rs.4,29,215/- .

Departmental Version

48. The Department explained that amount had been recovered and could be verified by Audit.

PAC Recommendation/Directive

49. Subject to verification of recovery of full amount, the para was recommended to be dropped.

D.P. 3.13 NON-RECOVERY OF HOUSE RENT ALLOWANCE AND LEASE MONEY – RS.3,97,000/-

Audit version

50. The Audit reported that in the office of Divisional Forest Officer, Gallis, Abbottabad lease money of Rs.2,49,120/- of 16-shops were not recovered. Similarly, 31-officers and officials occupying Government residences had drawn house rent allowance and 5% maintenance charges amounting to Rs.1,47,892/- were not recovered.

Departmental Version

51. It was briefly explained that a sum of Rs.2,12,333/- has been recovered which can be verified by Audit. However, a sum of Rs.1,84,777/- is still to be recovered.

PAC observation

52. The PAC observed that the amount should have been recovered in time to avoid such objection.

PAC Recommendation/Directive

53. The PAC directed that the amount recovered may be got verified by Audit. The rest of recoveries may be expedited. Para stands till the total amount is recovered and verified.

**D.P.3.14 UNAUTHORIZED EXPENDITURE ON PAY AND ALLOWANCES
– RS.3,92,143/-.**

Audit Version

54. The Audit reported that in the office of Divisional Forest Officer, Agror Tanawal, Mansehra, Rs.1,07,645/- were paid as arrear of pay and allowances to re-instated Forest Guard, similarly arrear of pay and allowances of Rs.2,84,418/- were also paid to a Senior Clerk on his re-instatement. Thus the Government was put to a loss of Rs.3,92,143/-. DAC directed the Department that a Committee comprising of DFO and Deputy Secretary, S&GA Department under the Chairmanship of Additional Secretary should examine the case and report progress within one month.

Departmental Version

55. The Department straight away admitted its laxity for non conducting the inquiry and the Secretary assured the Committee that he would personally pursue the case and inquiry report would be submitted within one month.

PAC Observations

56. The PAC showed its grave concern regarding the failure of the Department for non conducting inquiry in four years ordered by Secretary of the Department in his capacity as a Chairman of DAC.

PAC Recommendation/Directive

57. The PAC in such circumstances upheld the decision of DAC and directed to conduct inquiry and also fix responsibility for non implementation of DAC decision. Para stands. Progress be reported to PAC.

**D.P. 3.15 UNAUTHORIZED EXPENDITURE ON REPAIR OF VEHICLES –
RS.3,22,658/-.**

Audit Version

58. The Audit reported that in the office of Divisional Forest Officer, Abbottabad, expenditure of Rs.3,22,658/- was incurred on repair of vehicles, which was charged to head repair of machinery and equipment thus resulting in unauthorized expenditure.

Departmental Version

59. The Department admitted the irregularity and updated the Committee that amount had been spent on repair of vehicles and as such no loss has occurred to Government Treasury.

PAC Observation

60. The PAC observed that it was not a fair practice that the amount earmarked for repair of machinery was spent on repair of vehicle.

PAC Recommendation/Directive

61. Taking lenient view, the para was recommended to be dropped with the direction that in future such unauthorized expenditure must not be incurred.

D.P. 3.16 LOSS TO THE GOVERNMENT DUE TO UNAUTHORIZED USE OF FUNDS – RS.3,23,288/-**Audit Version**

62. The Audit reported that in the office of Divisional Forest Officer, Agror Tanawal, Mansehra, 40 cases were compounded and Rs.1,53,180/- as compensation were recovered from forest offenders but were not deposited in Government Treasury. Similarly offences were committed in regeneration area but the compensation was not charged at the prescribed double rate which resulted in a loss of Rs.1,70,108/- Thus the Government was made to sustain a total loss of Rs.323,288/-

Departmental Version

63. The Department contended that the amount had been recovered as per decision of DAC and could be verified by Audit.

PAC Recommendation/Directive

64. Subject to verification of total recovery, the para was recommended to be dropped.

D.P. 3.17 UN-VERIFIED EXPENDITURE DUE TO NON-PRODUCTION OF RECORD – RS.1,62,392/-

Audit Version

65. The Audit reported that in the office of Divisional Forest officer, Timargra, challan of Rs.67,000/- as registration fee of 67-saw machines, stock register of plant valuing Rs.32,982/- and actual payee receipts for Rs.62,410/- paid to the employees, were not produced to Audit for scrutiny.

Departmental Version

66. The Department contended that the amount had been recovered as per decision of DAC and could be verified by Audit.

PAC Observation

67. The PAC observed that it was not a good practice that record is not produced to the Audit during the course of audit.

PAC Recommendation/Directive

68. The PAC directed that record should be produced to Audit for verification. Para stands for verification of record.

D.P. 3.18 OVER PAYMENT OF PAY AND ALLOWANCES – RS.1,07,136/-.

Audit Version

69. The Audit reported that in the office of Divisional Forest Officer 5-project employees transferred from Forestry Management Centre after completion of project and posted on regular posts and were given the benefit of the services of project period, thus resulted in overpayment of Rs.1,07,136/-.

Departmental Version

70. The Department explained that as per policy, 2005 of Government of Khyber Pakhtunkhwa, all the contractual employees serving on regular posts, have been regularized with effect from 01/07/2001. In view of this policy, the employees referred to by Audit, were given annual increment and as such no overpayment was made.

PAC Recommendation/Directive

71. The PAC did not agree with the explanation of the Department and observed that if the contention of the Department was correct then why DAC headed by Secretary of the Department directed recovery from the DDO. The PAC in such circumstances upheld the decision of DAC and directed that recovery may be made from the DDO if not recovered from the concerned staff within one month. Para stands. Progress be reported to PAC.

FOLLOW UP

72. The follow up reports on the recommendation of PAC for the years 1997-98, 2001-02, 2002-03 and 2003-04, were considered, the Department contended that most of the decisions would have been implemented after submission of working paper, therefore, they requested for provision of some time to consolidate the data and for submitting revised working paper to the Assembly Secretariat. The Business was therefore referred to a Sub- Committee comprising of the following for consideration and the Department was directed to submit revised working paper within one week :-

1. Mr. Abdul Akbar Khan, Chairman.
2. Mr. Fazal Shakoor Khan, Member.
3. Mr. Muhammad Zamin Khan, Member.

HIGHER EDUCATION, ARCHIVES & LIBRARIES DEPTT:

Ten (10) Draft Paras reflected in the Audit Report for the year 2005-06 were taken up for examination by the PAC in its meeting held on 13th July, 2010. The following were present:-

Public Accounts Committee.

- | | | |
|-----|------------------------------------|-----------|
| 1. | Mr. Kiramatullah Khan, Speaker | Chairman. |
| 2. | Mr. Abdul Akbar Khan, MPA | Member |
| 3. | Syed Muhammad Sabir Shah, MPA | Member |
| 4. | Mr. Mukhtiar Ali, MPA | Member |
| 5. | Mr. Saqib-Ullah Khan Chamkani, MPA | Member. |
| 6. | Syed Muhammad Ali Shah Bacha, MPA | Member |
| 7. | Mr. Fazal Shakoor Khan, MPA | Member |
| 8. | Mr. Ziyad Akram Durrani, MPA | Member |
| 9. | Mr. Muhammad Zamin Khan, MPA | Member |
| 10. | Malik Tamash Khan, MPA | Member |

Finance Department.

1. Mr. Masood Ahmad,
Additional Secretary.
2. Mr. Masood Khan,
Deputy Secretary (PAC).

Law Department

Mr. Muhammad Ibrahim,
Additional Secretary.

Audit Department.

1. Mr. Javed Iqbal,
Director, Audit.
2. Mr. Jan Israr,
Deputy Director.

Higher Education, Archives & Libraries Department.

1. Mr. Azmat Hayat,
Vice Chancellor, Peshawar University.

2. Dr. Sakhawat Shah,
Vice Chancellor, Hazara University.
3. Syed Imtiaz Hussain Gillani,
Vice Chancellor, Engineering University, Peshawar.
4. Mr. M. Tayyab Awan,
Additional Secretary.
5. Mr. Zahir Ullah Khan,
Director, Archives & Libraries.

Provincial Assembly of Khyber Pakhtunkhwa.

1. Mr. Amanullah,
Secretary.
 2. Mr. Amjad Ali,
Additional Secretary.
 3. Mr. Inamullah Khan,
Deputy Secretary.
2. The PAC having considered Audit point of you and explanation advanced by the Department, made recommendations on each Para as under:-

D.P. 2.1 UNAUTHORIZED EXPENDITURE ON MISCELLANEOUS ALLOWANCES - RS. 44.39 MILLION.

Audit Version

3. In University of Engineering and Technology Peshawar and Hazara University Mansehra, certain allowances i.e. medical allowance, school subsidy, computer allowance and M.Sc. allowance amounting to Rs.16.67 million were paid to their employees in violation of Finance Department letter No.SOSR-III/F.D/1-27/2003 dated 23/04/2003. Medical allowance amounting to Rs.27.72 million paid to the employees during 2003-04 was also unauthorized. In the DAC meeting held in October 2005, Department replied that a Committee comprising all the Vice Chancellors would discuss the pay package for Universities employees as per rules in vogue. DAC did not agree and directed to produce decision of the Pay Package Committee.

Departmental Version

4. The Department explained that the allowances referred to by Audit were approved by the University Syndicate which is not only in line with the policies of other Universities of Pakistan but also permissible by Higher Education Commission which is

the funding agency. Moreover, the same contention has been approved by Law Reforms Committee of the House.

PAC Observation

5. It was observed that the Universities Law has empowered the Universities to frame rules, but while framing rules, the co-relation between the Parent Act, Rules and Government Policy must not be ignored. General Financial Rules (GFR) in no way can be by-passed. The University should not use the authority of framing such rules that abuses the parent law. If the Universities are allowed to make such individual decisions contrary to the Government Policy, it will create chaos. During the course of discussion, the Finance Department pointed out that in such like cases, a circular was issued to the Universities and Health Institutions wherein it was explicitly mentioned that the Chancellor/Governor of Khyber Pakhtunkhwa has directed that in order to maintain uniformity and have strict financial discipline in the province, all the Universities must follow the Provincial Government Pay & Package and other financial policies and must not adopt independently any policy without the concurrence of the Provincial Government.

6. It was contended that the Legislatures were not against any incentives/facilities provided to the University employees but all such incentives/facilities must be in accordance with the Government Policy, General Financial Rules and with prior concurrence of the Government. Since it was a continuous problem for the Legislature and reflected in almost every Audit Report, therefore, in order to resolve the issue, it was felt that the matter may be examined minutely by a Sub Committee in which all the stakeholders including Vice Chancellors may be invited to participate.

PAC Recommendation/Directive

7. After detailed discussion, a Sub Committee comprising the following was constituted to examine the issue in the light of Universities Act, Rules, Power and Functions of the Syndicate, Policy of the Government and applicability of the General Financial Rules, so that a clear line of action is determined and the issue is resolved once for all. The Sub-Committee will submit its report within one month:-

1. Mr. Saqib Ullah Khan Chamkani,MPA	Chairman
2. Syed .Muhammad Ali Shah Bacha,MPA	Member
3. Mr. Abdul Akbar Khan,MPA	Member
4. Mr. Muhammad Zamin Khan, MPA	Member.
5. Mr. Mukhtar Ali, MPA	Member

D.P. 2.6 NON-DEPOSIT OF ENGINEERING UNIVERSITY SHARE IN UNIVERSITY'S ACCOUNT – RS. 2.74 MILLION.

Audit Version

8. During the year 2004-05, the University of Engineering and Technology Peshawar realized Rs.28.28 million from Self Finance Scheme. Rs.11.31 million (40%) were required to be credited to University account No. 125-9 but deposited only Rs.8.91 million (31.50%), resulting in non-deposit of Rs.2.40 million. Similarly, during the year, the University realized Rs.1.50 million from sale of prospectus. Rs.1.17 million were deposited in the University's account No. 125-9 and Rs.3,37,660/- were not deposited. Hence, para-26 of GFR-Vol-I and Self Finance Rules, 2001 of the University of Engineering & Technology Peshawar, were violated.

Departmental Version

9. The Department explained that in pursuance of the decision of DAC, the two accounts had been closed and assets and liabilities have been transferred to main account No.125-9 duly checked and corrected which could be verified by Audit.

PAC Recommendation/Directive

10. In view of the contention of the Department that the whole amount has been transferred to UET account, therefore, the para was recommended to be dropped subject to verification of record.

D.P. 2.7 UNAUTHORIZED EXPENDITURE ON ACCOUNT OF ADVANCE INCREMENTS – RS. 2.03 MILLION.

Audit Version

11. The University of Engineering and Technology Peshawar incurred an expenditure of Rs. 2.03 million in violation of the orders of Finance Department by allowing five advance increments on initial appointments and two increments on the basis

of securing first division in higher qualification to officers. Hence, the expenditure was unauthorized.

Departmental Version

12. It was explained that grant of advance increments for appointments of teachers in various cadres in the Teaching Departments was allowed by Syndicate for the purpose of attracting Engineers for joining University Teaching Profession, because of shortage of candidates. Moreover, provision for allowing two increments for first division is available in the Basic Pay Scales Statutes-1997.

PAC Recommendation/Directive

13. As per decision on D.P. No. 2.1.

D.P. 2.8 **UNAUTHORIZED EXPENDITURE ON CONVEYANCE AND HOUSE RENT ALLOWANCE- RS. 1.15 MILLION.**

Audit Version

14. During the year 2004-05, the Hazara University Mansehra in violation of Rules and Finance Department circular letter No. SOSR-III/FD-1-27/2003 dated 23/4/2003, incurred expenditure of Rs.5,36,602/- as conveyance allowance and Rs.6,07,902/- as 45% house rent allowance of the employees instead of 30% which were not admissible in Mansehra.

Departmental Version

15. The house rent @ 45% was allowed to the employees in accordance with the Rules of Peshawar University applicable to them under the Act of the Hazara University, as the said Act provides that the Rules of Peshawar University would be applicable to Hazara University till framing of their own Rules.

PAC Observation

16. During the course of discussion, it was pointed out by the Vice Chancellor of the University that the house rent @ Rs. 45% was allowed to the employees in accordance with the Rules of Peshawar University applicable to them under the Act of the Hazara University, as the said Act provides that the Rules of Peshawar University would be applicable to Hazara University till framing of their own Rules. The Committee

wanted to know the Rules of Peshawar University on the subject matter which were not available on the spot, hence it was felt that this issue may also be discussed threadbare in the Sub Committee to be constituted.

PAC Recommendation/Directive

17. As per decision on D.P. No. 2.1.

D.P. 2.11 UNAUTHORIZED EXPENDITURE ON HIRING AND FURNISHING OF HOUSE – RS.3,46,878/-.

Audit Version

18. The University of Engineering & Technology Peshawar incurred expenditure of Rs. 2,19,000/- on boarding and lodging of visiting faculty Members @ Rs.36,500/- per month from 1/1/2005 to 30/6/2005. Rs.2,77,878/- were also spent on the furnishing of the rented accommodation. Hence, the expenditure was unauthorized.

Departmental Version

19. As decided by the DAC, the amount had already been recovered from the salary of Dr. Zia Razzaq, and deposited into University account on 22/05/2006.

PAC Recommendation/Directive

20. Subject to verification of the amount recovered, the para was recommended to be dropped.

D.P. 2.13 NON-RECOVERY OF AFFILIATION FEE – RS. 1,50,000/-.

Audit Version

21. During the year 2004-05, the University of Engineering and Technology, Peshawar did not recover the annual affiliation fee amounting to Rs. 1,50,000/- (fifty thousand each) from three affiliated institutions i.e. Peshawar College of Engineering, Gandhara Institute of Science & Technology Peshawar and National Post Graduate Institute of Telecommunication & Informatics Islamabad.

Departmental Version

22. As decided by the DAC, the amount had already been recovered and deposited into University accounts vide No.11397 dated 17/10/2006, No.9308 dated 03/04/2010 and No.9336 dated 07/04/2010.

PAC Observation

23. The PAC observed that penalty should have been imposed on the concerned officer, who has not timely recovered the dues in view of the University Notification. If the recovery was not pointed out by Audit, the amount could have been easily embezzled. When the PAC asked the Vice Chancellor as what penalty was imposed on the officer responsible for such recovery, he aggressively contended that it is a common practice of doing illegal acts in the entire population, only he is not a white man to look after all such things. At this juncture, the PAC Members noted the irresponsible statement of the Vice Chancellor with grave concern and they felt offended with the remarks passed by such a responsible officer in such a highest forum.

PAC Recommendation/Directive

24. It was decided that inquiry may be conducted and the officer responsible for non recovery of the dues may be penalized within one month. Para stands. Progress be reported to PAC.

D.P. 2.4 BLOCKAGE OF GOVERNMENT FUND – RS. 4.00 MILLION.**Audit Version**

25. During the years 1994-95 & 1995-96, the Director Archives & Libraries Peshawar received Rs.4 million for repair and maintenance of Rahman Baba Complex and Khushal Khan Khattak Heritage which were deposited in two separate account Nos. 00920-2 and 00933-7 SDA in the Bank of Khyber. The funds were not spent for the intended purposes from 1996 to 2003, resulting in the blockage of Government money.

Departmental Version

26. It was explained that a summary regarding the establishment of Khushal Khan Khattak Memorial Library was approved by the Chief Minister. The office was

utilizing the fund provided for Rahman Baba Complex and Khushal Khan Khattak Heritage. Draft Rules were framed for the Trust Fund which was to be vetted by Finance and Law Departments. Different decisions at different times were made for utilization of the said fund but none of them were implemented. However, later on the mode of utilization of Rahman Baba Trust Fund was decided on a summary by the Chief Minister.

PAC Observation

27. It was observed that basic purpose for which the funds were provided was defeated as rules for Rahman Baba Trust were not framed. Moreover, the Committee wanted to know the authority under which the amount was kept in the private bank. The Department miserably failed to provide the said authority. GFR para-7 was blatantly violated. Sanction from the Finance Department for keeping the amount in the commercial bank was required. Trust should have been established under an Act of the Assembly.

PAC Recommendation/Directive

28. After detailed discussion, the PAC directed the Department to produce authorization for keeping the amount in Khyber Bank. In case such authority was provided, the para would be considered as dropped. However, in case of failure, responsibility for keeping the amount in a bank unauthorizedly, may be fixed. Para stands. Progress be reported to PAC.

D.P. 2.10 NON-DEPOSIT OF GOVERNMENT DUES IN PUBLIC ACCOUNT – RS.3,53,224/-.

Audit Version

29. In the year 2002-03, the Director Archives and Libraries Peshawar realized Rs.3,53,224/- as rent of auditorium, net café and Photostat charges. The amount instead of crediting to Government treasury was deposited in PLS Account No. 1140-1 in the Bank of Khyber.

Departmental Version

30. On Establishment of Internet Section in the office under developmental scheme, the Director Achieves and Library was permitted to open a bank account in his

name in the designated Bank of Khyber or National Bank of Pakistan to be operated by the Director. Hence, the account in a Private Bank was opened.

PAC Observation

31. The PAC observed that two different decisions of the DAC were recorded in the working paper. The Department could not substantiate its version about recording the decision of the DAC.

PAC Recommendation/Directive

32. It was decided that warning may be issued to the concerned officer for not implementing the decision of the DAC and recording incorrect decision in the working paper. Moreover, ex-post facto sanction for crediting the amount in the PLS account may be obtained from the Finance Department.

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

D.P. 2.12 NON-DEPOSIT OF 5% PROVINCIAL COLLECTION CHARGES – RS. 2,45,886/-.

Audit Version

34. In the year 2003-04, the University of Peshawar realized Rs. 4.918 million as income tax from the suppliers and officials out of which 5% provincial collection charges amounting to Rs. 2,45,886/- were not deposited into the Government Treasury.

Departmental Version

35. An amount of Rs.10,52,981/- has been retained on account of collection charges in the years 2004-05, 2005-06 and 2006-07, which was declared by the Income Tax as unlawful. However, it was explained that the practice of deduction of 5% collection charges has now been stopped.

PAC Recommendation/Directive

36. In view of plausible explanation of the Department and the fact that the practice of deduction of 5% of collection charges has been stopped, the para was recommended to be dropped.

D.P. 2.3 NON-DEPOSIT OF PESHAWAR UNIVERSITY SHARE IN THE UNIVERSITY ACCOUNT – RS. 16.34 MILLION.

Audit Version

37. In the year 2003-04 two colleges i.e. Islamia College and Jinnah College Peshawar deposited Rs. 10.93 million which was 37.42% only out of a total of Rs. 29.21 million. Rs. 9.51 million i.e. 13.50% was less deposited in the University account. Similarly, Provost of Peshawar University and Principal Islamia College Peshawar realized Rs. 12.56 million on account of hostel fee out of which Rs. 10.80 were deposited in the University account and Rs. 1.76 million were not deposited. The Principal University Public School collected Rs. 5.06 million as admission fee from the students, which was not deposited in the University account.

Departmental Version

38. The Department contended that the Audit Version of 70% was not correct. It told that as per Rules of Self Finance Scheme, 30% share is deposited in the University account for repair & maintenance etc and 40% is given to teachers as Pay Package.

PAC Observation

39. The PAC observed that the University authorities were accepting only 30% share whereas Audit was contending 70% share of the University. The break-up shown by the University was that 30% is deposited in the University account as share for Repair & Maintenance and 40% as Pay and Allowances of the teachers. However, the Audit was claiming a different version.

PAC Recommendation/Directive

40. Since there was difference in the contention of Audit and the Department, therefore, it was decided that both the concerned quarters alongwith Finance Department should sit together and come up with a clear picture. Para stands. Progress be reported to PAC within a month.

FOLLOW UP

41. The follow up reports on the recommendation of PAC for the years 1997-98, 2001-02, 2002-03 and 2003-04, were considered, the Department contended that most of the decisions would have been implemented after submission of working paper, therefore, they requested for provision of some time to consolidate the data and for submitting revised working paper to the Assembly Secretariat. The Business was therefore referred to a Sub- Committee comprising the following for consideration and the Department was directed to submit revised working paper within one week :-

1. Mr. Abdul Akbar Khan, Chairman.
2. Mr. Fazal Shakoor Khan, Member.
3. Mr. Muhammad Zamin Khan, Member.

ELEMENTARY & SECONDARY EDUCATION DEPARTMENT

Three (03) Draft Paras, reflected in the Audit Report for the year 2005-06, were taken up for examination by the PAC in its meeting held on 13th July, 2010. The following were present:-

Public Accounts Committee.

1.	Mr. Kiramatullah Khan, Speaker	Chairman.
2.	Mr. Abdul Akbar Khan, MPA	Member
3.	Syed Muhammad Sabir Shah, MPA	Member
4.	Mr. Mukhtiar Ali, MPA	Member
5.	Mr. Saqib-Ullah Khan Chamkani, MPA	Member.
6.	Syed Muhammad Ali Shah Bacha, MPA	Member
7.	Mr. Fazal Shakoor Khan, MPA	Member
8.	Mr. Ziyad Akram Durrani, MPA	Member
9.	Mr. Muhammad Zamin Khan, MPA	Member
10.	Malik Tamash Khan, MPA	Member

Finance Department.

1. Mr. Masood Ahmad,
Additional Secretary.
2. Mr. Masood Khan,
Deputy Secretary (PAC).

Law Department

Mr. Muhammad Ibrahim,
Additional Secretary.

Audit Department.

1. Mr. Javed Iqbal,
Director, Audit.
2. Mr. Jan Israr,
Deputy Director.

Elementary & Secondary Education Department.

1. Mr. Muhammad Arifeen,
Secretary.

2. Mr. Zafar Arbab,
EDO, Abbottabd.
3. Mr. Mukhtar Ahmad,
EDO, Kohistan.
4. Mr. Asadullah,
Section Officer (Audit).

Provincial Assembly of Khyber Pakhtunkhwa.

1. Mr. Amanullah,
Secretary.
 2. Mr. Amjad Ali,
Additional Secretary.
 3. Mr. Inamullah Khan,
Deputy Secretary.
2. The PAC having considered Audit point of you and explanation advanced by the Department made recommendation on each para as under:-

D.P. 2.2 UNAUTHORIZED EXPENDITURE – RS. 10.00 MILLION.

Audit Version

3. During the year 2003-04, the Project Manager, Science Education Project incurred an expenditure of Rs. 10.00 million on purchase and transportation of books without the provision of funds in the PC-I of the project. Hence the expenditure was unauthorized.

Departmental Version

4. The Department explained that for the first time the provision of free text books was allowed only for the female students from class-I to V. There was no such provision for the boys. Resultantly a non ADP Scheme of Rs. 156.00 million was prepared for allowing such books to the boys too. However, the P&D Department reduced the scheme to Rs.103.00 million. Re-appropriation of Rs.10.00 million was made from the ADP Scheme to the Non-ADP Scheme. Re-appropriation from one project to the other was authorized. The Department clarified that later-on Rs.10.00 million were recouped.

PAC Observation

5. During the course of examination of record, it was found that the cheque was issued in anticipation of approval of the scheme, which was not justified. The cheque was issued on 11/03/2004 whereas the scheme was approved on 02/06/2004. The Committee wanted to know name of the officer who had incurred expenditure prior to approval of the scheme.

PAC Recommendation/Directive

6. After detailed discussion, the PAC directed that a fact finding inquiry may be conducted by the Department within a month and fix responsibility against the officer who has unauthorisedly spent the amount in anticipation of approval of the scheme. Para stands.

D.P. 2.5 NON SUBMISSION OF ADJUSTMENT ACCOUNT – RS. 3.320 MILLION.**Audit Version**

7. In the year 2003-04, the Director Schools & Literary incurred expenditure of Rs. 3.320 million on transportation of text books to Government Primary Schools in 24 districts of the province. Neither record of transportation charges was produced nor adjustment of accounts rendered.

Departmental Version

8. The relevant record obtained from the UNICEF was produced to Audit for verification on 28/01/2008, but was returned unverified by the Audit Department after one month.

PAC Recommendation/Directive

9. Para stands for verification of record by Audit.

D.P. 2.9 LOSS DUE TO NON FORFEITURE OF SECURITY DEPOSITS – RS.4,24,000/-**Audit Version**

10. During the year 2003-04 the Project Manager, Girls Project-II, Peshawar awarded “construction of Community Model Schools (CMS) Mera Sultan Khel” @ 21%

below the estimated cost of Rs.1.84 million, Rs.2,40,418/- upto 2nd running bill were paid to the contractor but he failed to complete the work thus his contract was cancelled but security deposits of both the contractors were not forfeited. Government was put to sustain a loss of Rs.4,24,000/- it was pointed out by Audit during January, 2005, but no reply was received. In the DAC meeting held in March, 2006 it was replied that security of Rs.38,400/- and Rs.82,300/- of the contractors had been forfeited but the DAC did not agree and up held the view point of Audit.

Departmental Version

11. It was explained that the work was executed by the XEN C&W upper Dir. The XEN informed that recovery had been made from the contractor. The Department added that the Project Manager PEGP-II of the Elementary & Secondary Education in whose period the work was carried out was retired on attaining the age of superannuation but in view of this Draft Para, her pension had not yet been released.

PAC Recommendation/Directive

12. The Committee recommended that the para may be dropped subject to verification of the recovery made. Pension of the retired officer may be released forthwith.

FOLLOW UP

13. The follow up reports on the recommendation of PAC for the years 1997-98, 2001-02, 2002-03 and 2003-04, were considered, the Department contended that most of the decisions would have been implemented after submission of working paper, therefore, they requested for provision of some time to consolidate the data and for submitting revised working paper to the Assembly Secretariat. The Business was therefore referred to a Sub- Committee comprising the following for consideration and the Department was directed to submit revised working paper within one week :-

- | | | |
|----|--------------------------|-----------|
| 1. | Mr. Abdul Akbar Khan, | Chairman. |
| 2. | Mr. Fazal Shakoor Khan, | Member. |
| 3. | Mr. Muhammad Zamin Khan, | Member. |

FOOD DEPARTMENT

Two (02) Draft Paras, reflected in the Audit Report for the year 2005-06, were taken up for examination by the PAC in its meeting held on 13th July, 2010. The following were present:-

Public Accounts Committee.

- | | | |
|-----|------------------------------------|-----------|
| 1. | Mr. Kiramatullah Khan, Speaker | Chairman. |
| 2. | Mr. Abdul Akbar Khan, MPA | Member |
| 3. | Syed Muhammad Sabir Shah, MPA | Member |
| 4. | Mr. Mukhtiar Ali, MPA | Member |
| 5. | Mr. Saqib Ullah Khan Chamkani, MPA | Member. |
| 6. | Syed Muhammad Ali Shah Bacha, MPA | Member |
| 7. | Mr. Fazal Shakoor Khan, MPA | Member |
| 8. | Mr. Ziyad Akram Durrani, MPA | Member |
| 9. | Mr. Muhammad Zamin Khan, MPA | Member |
| 10. | Malik Tamash Khan, MPA | Member |

Finance Department.

1. Mr. Masood Ahmad,
Additional Secretary.
2. Mr. Masood Khan,
Deputy Secretary (PAC).

Law Department.

Mr. Muhammad Ibrahim,
Additional Secretary.

Audit Department.

1. Mr. Javed Iqbal,
Director, Audit.
2. Mr. Jan Israr,
Deputy Director.

Food Department.

1. Mr. Jamalud Din,
Secretary.

2. Mr. Saeed-ur-Rehman,
Director Food.

Provincial Assembly of Khyber Pakhtunkhwa.

1. Mr. Amanullah,
Secretary.
 2. Mr. Amjad Ali,
Additional Secretary.
 3. Mr. Inamullah Khan,
Deputy Secretary.
2. The PAC having considered Audit point of view and explanation advanced by the Department, made recommendations on each Para as under:-

D.P. 5.1 LOSS TO GOVERNMENT DUE TO NON-AUCTION OF EMPTY GUNNY BAGS – RS. 15.98 MILLION.

Audit Version

3. In the year 2003-04 in the office of District Food Controller (DFC) Chitral, stock registers (FG-13) of various Provincial Reserve Centres (PRCs) revealed that 5,32,813 empty gunny bags were not auctioned and the Government was put to sustain loss.

Departmental Version

4. The Audit has calculated the amount of Rs.15.984 million, presuming price of Rs.30/- per bag whereas actually the auction rate of B-class bags is Rs.23.35, C-class as Rs.12.35 and D-class Rs.3.05. By this way the amount of reported bags comes to Rs.77,38,681/-. Out of 532813 empty gunny bags, a number of 483575 empty gunny bags were auctioned on 01/10/2003 and the amount was deposited.

PAC Observation

5. The Committee checked the tender notice floated in the press by the Department wherein it was clearly provided that one fourth of the total bid would be deposited on the spot and the total amount of auction would be deposited by the successful bidder within two days. Contrary to the terms and conditions of the bid fixed by the Department, the contractor was allowed to lift certain bags without depositing the total amount of the auction. He has lifted certain portion leaving 323747 bags. The

Department contended that the security of the contractor has been forfeited, however, the PAC strongly objected the fact that the terms and conditions fixed by the Department were not followed. The Department informed that the DFC concerned has by now dead.

PAC Recommendation/Directive

6. After detailed discussion, the Audit worked out the loss as Rs.12,78,626/-. The Committee recommended that the amount may be recovered from the Director Food of that time being the Controlling Officer. Para stands. Progress be reported to PAC.

D.P. 5.2 NON RECOVERY OF STORES – RS. 11.13 MILLION.

Audit version

7. In the year 2003-04 in the office of District Food Controller Chitral, shortages of stores valuing Rs. 11.13 million were not recovered from the contractors and storekeepers due to non pursuance of the cases in the court of law which resulted in non-recovery of stores.

Departmental Version

8. Recovery cases from various officials amounting to Rs.11.13 million were subjudice in the Court of Senior Civil Judge Chitral, Special Judge, Anticorruption and Peshawar High Court, Peshawar. The cases are vigorously pursued in the Courts regularly. However, an amount of Rs.1,43,864/- had been recovered from Dinar Wali FGS out of the total amount of Rs.11.13 million and deposited into Government Treasury.

PAC Observation

9. The Committee observed that Para-159 of GFR was violated by not carrying out physical verification annually. If the provision of GFR was strictly followed, any shortage could have been timely detected and action could have been taken.

PAC Recommendation/Directive

10. Since the case was in the court of law, therefore, the Committee Directed the Department that it should be vigorously pursued in the court in consultation with the Law Department. Para stands till the decision of the court.

Appeal of M/S Jam Goods

11. The appeal was placed before the Committee, however, it was deferred till 19/07/2010. It will be taken up on 19/07/2010 alongwith the Report of Sub Committee.

FOLLOW UP

12. Follow-up for the years 1997-98, 2001-02, 2002-03 and 2003-04 will be examined by the Sub Committee comprising the following and the Department was directed to submit revised working paper within one week :-

- | | | |
|----|--------------------------|-----------|
| 1. | Mr. Abdul Akbar Khan, | Chairman. |
| 2. | Mr. Fazal Shakoor Khan, | Member. |
| 3. | Mr. Muhammad Zamin Khan, | Member. |

COMMUNICATION & WORKS DEPARTMENT.

Nineteen (19) Draft Paras, reflected in the Audit Report for the year 2005-06, were taken up for examination by the PAC in its meetings held on 14th and 15th July, 2010. The following were present:-

Public Accounts Committee.

- | | | |
|----|---------------------------------------|----------|
| 1. | Mr. Kiramatullah Khan, Speaker | Chairman |
| 2. | Mr. Abdul Akbar Khan , MPA | Member |
| 3. | Mr. Mukhtiar Ali, MPA | Member |
| 4. | Mr. Saqib-Ullah Khan Chamkani, MPA | Member |
| 5. | Syed Muhammad Ali Shah Bacha, MPA | Member |
| 6. | Malik Tamash Khan, MPA | Member |
| 7. | Mr. Ziyad Akram Durrani Advocate, MPA | Member |

Finance Department.

1. Mr. Masood Ahmad
Additional Secretary.
2. Mr. Masood Khan,
Deputy Secretary (PAC).

Law Department.

Mr. Muhammad Ibrahim,
Additional Secretary.

Audit Department.

1. Mr. Javed Iqbal,
Director, Audit.
2. Mr. Jan Israr,
Deputy Director.

Communication & Works Department.

1. Mr. Habib Ali,
Secretary.
2. Mr. Hidayatullah Khan,
Chief Engineer.
3. Mr. Shams-uz-zaman,
Director (PBMC).

Public Health Engineering, Department.

Mr. Muhammad Pervez Nasir,
Secretary.

Provincial Assembly of Khyber Pakhtunkhwa.

1. Mr. Amanullah,
Secretary.
 2. Mr. Amjad Ali,
Additional Secretary.
 3. Mr. Inamullah Khan,
Deputy Secretary.
2. The PAC having considered Audit point of view and explanation advanced by the Department, made recommendations on each para as under:-

D.P. 9.1 UNAUTHORIZED EXPENDITURE - RS. 50.24 MILLION.**Audit Version**

3. During the year 2003-04 in the office of Managing Director, Frontier Highways Authority, a project costing Rs. 223.00 million was awarded to the contractor, out of which the bituminous premix coat and asphalt wearing coat in the two works i.e. dualization of Kohat to Indus Highway road and improvement of Provincial Highway Gumbat were declared sub standard by the Inspection Team of the Frontier Highways Authority. Expenditure of Rs.50.24 million was incurred on the two works, awarded to another firm, without the risk and cost of contractor and inviting open tender system, which resulted in unauthorized expenditure of Rs. 50.24 million.

Departmental Version

4. The Department explained that in light of DAC decision, a fact finding inquiry was conducted which stated that the asphalt work, duly carried out by the contractor was found defective, therefore, the Frontier Highways Authority sublet this item of work to M/S Karcon Pvt, Ltd and as such no loss occurred. The subletting of work to the contractor is in accordance with the contract agreement and escalation allowed is covered in the contract agreement. Escalation/de-escalation is clearly spelled out in the contract agreement and the payment is allowed within the provision made. The work has been successfully completed without any loss to the exchequer, and since its

construction no patch occurred. The Department further explained that the amount of Rs.0.711 million was recoverable from M/S Sabz Ali & Co and amount of Rs.1.009 million instead of Rs.0.711 million had been affected.

PAC Observation

5. The PAC observed that the work was assigned to the contractor without adopting open tender system. It should have been executed at the risk and cost of the original contractor as the contractor carried out only 500 meter carpeting which was found sub standard, for which the contractor should have been penalized. Moreover, the contract can only be sublet by the contractor whereas in the present case the subletting was made by the Department.

PAC Recommendation/Directive

6. The Committee showed its concern that the work was not executed at the risk and cost of the original contractor. However, as the work was assigned to another reputed firm with the intention to save time and for having better quality of work. As no defect in the work executed has been reported since its construction therefore, the Para was recommended to be dropped with a warning to the Department to avoid such irregularity in future.

D.P. 9.2 UNAUTHORIZED EXPENDITURE – RS. 32.162 MILLION.

Audit Version

7. During the year 1999-2000 in the office of Executive Engineer, Building Maintenance Division Peshawar, Departmental Sub Committee (DSC) had approved works costing Rs. 37.30 million, but it was revealed that expenditure of Rs. 69.46 million was incurred. Works costing Rs. 32.16 million were carried out without approval of the DSC, resulting in unauthorized expenditure.

Departmental Version

8. The Department explained that expenditure pointed out by Audit was authorized as the Government funds were released after fulfilling the codal formalities and that Audit has taken total expenditure incurred during the year and has compared with the approval given by the DSC in its meeting held on 26/02/2000, whereas work

approved by DSC in other meetings was not considered. It was also brought to the notice of PAC that works below Rs.0.100 million needs no approval of DSC. It was further stated that statement contains Rs.8.950 million as utility expenditure which does not need approval of DSC.

PAC Observation

9. The PAC observed with grave concern that the Department had not seriously taken the DAC decision regarding submission of record as it had not been implemented so far.

PAC Recommendation/Directive

10. The para was recommended to be dropped, subject to verification of record with in one month time.

D.P. 9.3 NON-RECOVERY OF HIRING CHARGES OF MACHINERY – Rs. 18.57 MILLION.

Audit Version

11. During the year 2000-01, in the Mechanical Division Peshawar, hiring charges of machinery amounting to Rs. 18.57 million were not recovered, resulting in non-recovery of Government dues.

Departmental Version

12. The Department explained that due to devolution of Mechanical Division, record was not available. However, out of Rs.18.57 million a sum of Rs.9.970 million has been recovered and shown to Audit. Efforts are being made to produce the remaining record with in 3-months.

PAC Recommendation/Directive

13. The PAC directed that record of complete recovery as mentioned in the Draft Para may be produced to Audit. Para stands till complete recovery, progress be reported to PAC.

D.P. 9.4 **EXCESS EXPENDITURE DUE TO NON UTILIZATION OF AVAILABLE MATERIALS – Rs. 16.16 MILLION.**

Audit Version

14. During the year 1999-2000, in the C&W Division Swat, two items of work were executed under 11 Road Schemes. Material worth Rs. 16.16 million was available but the same was not utilized and payment was made at composite rates instead of labour rates, which resulted in excess expenditure of Rs. 16.16 million.

Departmental Version

15. The Department explained that the losses had been worked out by Audit on assumption that stone from excavation in rock materials are available at all location of the involved structures, by including the labour rate of Rs.100/- per cubic meter. The composite rate of random rubble masonry (RRM) laid dry would be Rs.298/- per cubic metre (M³) which is 49% more than the allowed rates of Rs.200/-M³. It was added that CR masonry and RR Masonry required proper selection of size, shape, strength, durability and quality of stone.

PAC Recommendation/Directive

16. The explanation advanced by the department was accepted and the Para was recommended to be dropped, subject to verification of record by Audit.

D.P. 9.5 **LOSS DUE TO ABANDONING OF WORK – RS. 11.70 MILLION.**

Audit Version

17. During the year 1999-2000, in C&W Division, Kohistan, expenditure of Rs. 11.70 million was incurred on construction of four shingle roads. The works were abandoned and the Government was put to sustain a loss of Rs. 11.70 million.

Departmental Version

18. The Department explained that, as per DAC decision, inquiry was conducted which stated that the work was left incomplete, as the new Government abolished the scheme due to financial constraints and as such responsibility could not be fixed on any officer.

PAC Recommendation/Directive

19. The explanation of the Department being plausible was accepted and the Para was recommended to be dropped.

D.P. 9.6 UN-VERIFIED EXPENDITURE DUE TO NON PRODUCTION OF RECORD OF VEHICLE – RS. 6.31 MILLION.**Audit Version**

20. During the year 2002-03, in the Rural Roads Construction Project Phase-I, expenditure of Rs.11.77 million was incurred on purchase of fifteen vehicles in violation of the contract agreement. Moreover, record of 8 vehicles valuing Rs.6.31 million was not produced to Audit.

Departmental Version

21. The Department explained that on winding up the Rural Road Construction Project, which was functioning under the Administrative control of C&W Department, 15-Nos. vehicles were transferred to the Department, the record of 5-No. vehicles has been verified by Audit and record of the remaining 10-No. vehicles, is available for verification and can be shown to Audit.

PAC Recommendation/Directive

22. The Para was recommended to be dropped, subject to verification of record by Audit within one month.

D.P. 9.7 BLOCKAGE OF MONEY DUE TO NON-AUCTION OF UNSERVICEABLE MACHINERY – Rs. 5.00 MILLION.**Audit Version**

23. During the year 2000-01, in the Mechanical Division, Peshawar, unserviceable machinery having book value of Rs. 5.00 million was put to auction on 10/05/2001. Highest bid of Rs. 4.4 million was not accepted by the Chief Engineer, resulting in the blockage of Government revenue.

Departmental Version

24. The Department explained that in pursuance of the DAC decision taken in its meeting held in February, 2004, the unserviceable machinery has been auctioned by

the Abaseen Construction Corporation which earned a huge profit. It also provided list of machinery auctioned showing that Rs.2,12,59,400/- had been earned.

PAC observation

25. After going through the statement of the Department, the PAC wanted to know as to whether the same machinery was auctioned as pointed out in the Audit para or otherwise. The Audit was unable to verify the same during the meeting, as it required detail examination.

PAC Recommendation/Directive

26. The Para was, therefore, recommended to be dropped subject to verification of the amount of recovery and as to whether it pertained to the same items as pointed out by the Audit or otherwise within one month.

D.P. 9.8 UN-VERIFIED EXPENDITURE DUE TO NON PRODUCTION OF RECORD – Rs.4.58 MILLION.

Audit Version

27. During the year 2001-02, in the office of Executive Engineer, C&W Division Mansehra, an expenditure of Rs.3.975 million was incurred on up-gradation of GHS Munja Kot shifted to Maira Mada Khel and Rs. 5,40,037/- were incurred over the BOQ. Neither tender documents nor technical sanction were produced to Audit.

Departmental Version

28. The Department explained that the technical sanction and administrative approval were available for verification. Regarding tender documents, the Department contended that contract was awarded by Deputy Commissioner/Project Director, Kala Dhaka on nomination basis as the work being fallen in Tribal area and no tender process was made.

PAC Observation

29. The Committee noted with grave concern that DAC was held in 2003 but record required to be verified as decided by DAC was still not verified, hence, the Department was directed to improve its behavior and give due importance to the decision of DAC.

PAC Recommendation/Directive

30. The Para was recommended to be dropped, subject to verification of technical sanction, administrative approval and orders for change of site within a month time.

D.P. 9.9 NON RECOVERY DUE TO SHORTAGE OF STORE VALUING OF Rs.2.49 MILLION.**Audit Version**

31. During the year 1997-98, in the office of Executive Engineer, Mechanical Division Bannu, store valuing Rs. 2.49 million was found short with the Storekeeper. Neither the store nor the amount was recovered.

Departmental Version

32. The Department explained that as per DAC decision, inquiry was conducted which revealed that Anti Corruption Judge, Bannu had already made decision in the subject case, therefore, there was no need of further inquiry, wherein Mr. Jan Muhammad, Store Keeper had been held responsible for shortage of store. Against the decision of Anti Corruption Court, Mr. Jan Muhammad, Store Keeper has made an appeal in the Peshawar High Court, Peshawar and the case is under trial.

PAC Observation

33. The PAC observed that the Court case as stated by the Department in the working paper regarding Mr. Jan Muhammad, Store Keeper may be looked into as the case relates to the subject para or some other issues involved. Moreover, in the instant case not only the Store Keeper but the Controlling Officer had not done justice in performing his official duty.

PAC Recommendation/Directive

34. The case, being subjudice, was kept pending till the decision of court. Para stands. Department should pursue it vigorously.

D.P. 9.10 UN-VERIFIED EXPENDITURE DUE TO NON PRODUCTION OF RECORD – RS. 2.37 MILLION.

Audit Version

35. During the year 2000-2001 in the office of Deputy Director W&S Dir Upper, Rs.2.37 million were paid to the Deputy Commissioner Dir Upper for distribution as compensation for cost of land to the landowners in the work “Construction of Shingled Road from Daramadala to Bahader Khel”. The relevant record for disbursement of cost of land to the owners was not produced to Audit. In February, 2002 the Department replied that revenue authorities were being approached for Acquaintance Rolls. In the DAC meeting the Department repeated pervious reply with which the DAC did not agree and directed to produce land award statement and actual pay receipts.

Departmental Version

36. The Department explained that some of the amount was distributed in time while due to dispute, some of the amount was kept pending, subsequently on the settlement of the dispute, the same was distributed amongst the land owners by District Revenue Officer.

PAC Recommendation/Directive

37. The explanation of the Department being plausible was accepted and the Para was recommended to be dropped with direction to the Department to compile all such cases of pending amounts with the DORs and to send it to the PAC with in a month time.

D.P. 9.11 NON RECOVERY OF GOVERNMENT DUES – Rs. 2.23 MILLION.

Audit Version

38. During the year 1997-98, in the Mechanical Division Bannu, Rs.2.23 million as cost of store and vehicle running charges were found recoverable in P.W. Advance Register from various contractors and officers from 03/1989 to 05/1995, which were not recovered, resulting in non-recovery of Government dues.

Departmental Version

39. The Department explained that an inquiry has been conducted in the matter wherein twelve (12) persons of the Department had been held responsible and assured that recovery would be made from them within two months.

PAC Recommendation/Directive

40. On the assurance of the Administrative Secretary that the entire amount will be recovered within two months, the Para was recommended to be dropped, subject to verification of complete recovery.

D.P. 9.12 UN-VERIFIED EXPENDITURE DUE TO NON PRODUCTION OF RECORD – Rs. 1.31 MILLION.**Audit Version**

41. During the year 1999-2000, in the C&W Division Mansehra, an amount of Rs. 1.31 million was paid to the Revenue Department as compensation for cost of land. Relevant record such as land award statement, mutation deed and actual payee receipts were not produced to Audit.

Departmental Version

42. The Department explained that a sum of Rs.0.6 & 0.4 million were returned to C&W Division, Mansehra by the DRO, Mansehra, which were credited to Government Treasury. As Court decision was made, therefore, a sum of Rs.1,32,000/- were paid. An amount of Rs.1,74,000/- was paid to land collector for disbursement amongst the land owners. Actual payee receipts were available in the office of DRO, Mansehra, which could be verified by Audit.

PAC Recommendation/Directive

43. The Para was recommended to be dropped, subject to verification of record within one month.

D.P. 9.13 LOSS DUE TO NON RECOVERY OF STORES – Rs. 1.15 MILLION.**Audit version**

44. During the year 1996-97, in Mechanical Division Bannu, store valuing Rs.1.15 million were not recovered from several contractors. This amount was required to be recovered at the time of final payment but was not recovered. Hence, the Government was put to loss.

Departmental Version

45. The Department explained that an inquiry had been conducted wherein it was stated that the store valuing Rs.11,52,325/- was issued to thirteen (13) contractors but the same was not deducted from their final bills. The Secretary of the Department assured the Committee that recovery would be made from the contractors within two months.

PAC Recommendation/Directive

46. On the assurance of the Administrative Secretary that the entire amount will be recovered within two months, the Para was recommended to be dropped, subject to verification of complete recovery.

D.P. 9.14 LOSS DUE TO HIGHER PREMIUM – Rs. 4,37,142/-.**Audit version**

47. During the year 2001-02, in the office of Deputy Director B&R Mansehra, premium of 109.75% was allowed to a contractor for the work “Repair of damaged causeway & construction of culvert 3.66 meter span in KM No.5 Oghi Ahl Road, which resulted in loss of Rs. 4,37,124/- to the public exchequer.

Departmental Version

48. The Department explained that no over payment was involved and the rates allowed were within the permissible limit approved by the competent authority (Chief Engineer).

PAC Recommendation/Directive

49. The explanation of the Department being plausible was accepted and the Para was recommended to be dropped.

D.P. 9.15 NON-RECOVERY OF HIRING CHARGES – Rs. 3,05,722/-.**Audit version**

50. During the year 2000-01, in the C&W Mechanical Division, Peshawar, hiring charges of motor grader No. 4 amounting to Rs. 3,05,722/- were not recovered from two contractors for the work Thandiani Pattan Khurd Road.

Departmental Version

51. The Department explained that recovery has been made and relevant record in question has been sent to Audit for verification.

PAC Recommendation/Directive

52. The Para was recommended to be dropped, subject to verification of record within a month time.

PROVINCIAL BUILDINGS MAINTENANCE CELL (PBMC)**D.P. 4.1 UN-AUTHORIZED EXPENDITURE ON CONSTRUCTION WORKS – Rs. 86.43 MILLION.****Audit Version**

53. During the years 2001-2002 and 2002-03, in the office of Deputy Director PBMC Peshawar, expenditure of Rs.86.43 million was incurred on construction works in Government buildings. The officers instead of preparing detail estimate, BOQ of each work and inviting tender through press floated a prequalification notice for unidentified work in the press and awarded these works to contractors. Hence the expenditure was unauthorized.

Departmental Version

54. The Director PBMC explained that each year they shortlist/pre-qualify contractors out of the enlisted contractors of the Department. The enlistment was primarily based on the contractor's experience in maintenance and repair works. NIT for

the approved works was sent to the short listed contractors and open competition in bidding was held. All the codal formalities like cost estimate, BOQ, etc were fulfilled for each scheme which carries approval of the competent forum i.e. Secretary of the Department for less than Rs.0.5 million and DDWP for a scheme costing more than Rs.0.5 million.

PAC Observation

55. Open tender system was adopted in the year 2001 because of which VIP work suffered. The pre-qualification is allowed under the rules. The work was carried out only in the year 2001-02, 2002-03. Thereafter, the Department has adopted open tender system for each work separately.

PAC Recommendation/Directive

56. Since the Department has changed the practice, therefore, the para was recommended to be dropped with the remark that it should not be quoted as precedent in future.

D.P. 4.2 LOSS TO GOVERNMENT FUNDS ON ABANDONED CONSTRUCTION WORK – RS. 68.50 MILLION.

Audit Version

57. During the year 2004-05, in the office of Deputy Director, Provincial Building Maintenance Cell (PBMC) Peshawar, payment of Rs. 68.50 million was made to Federal Government as cost for construction of flats at Nasapa Payan. The construction work was abandoned and not completed. Government funds of Rs.68.50 million were wasted.

Departmental Version

58. The Department explained that agreement was signed between Provincial Government through PBMC, Administration Department and Pakistan Housing Authority and consequently the payment was made accordingly to the Federal Housing Authority. Now the same has been handed over to Housing Department of the Government, Khyber Pakhtunkhwa.

PAC Recommendation/Directive

59. The PAC directed that the left over work must be completed expeditiously in the public interest and to avoid any loss to the Government Ex-chequer. With the above observation, the para was recommended to be dropped.

D.P. 4.3 UN-AUTHORIZED EXPENDITURE ON REPAIR WORKS – RS. 2.4 MILLION.**Audit Version**

60. During the year 2004-05, in the office of Deputy Director PBMC Peshawar, expenditure of Rs. 2.4 million was incurred on the repair works in the Civil Quarters, which were not according to the approved PC-I. The expenditure was thus, unauthorized.

Departmental Version

61. The Department explained that pursuant to the decision of DAC, inquiry was conducted and as per inquiry report, major and minor penalties were imposed on the officers/officials held responsible.

PAC Recommendation/Directive

62. In view of decision of the DAC, inquiry was conducted and the officers responsible were penalized. Hence, the para was recommended to be dropped.

D.P. 4.4 UN-VERIFIED EXPENDITURE DUE TO NON-PRODUCTION OF RECORD –RS.6,42,517/-.**Audit Version**

63. During the year 2001-02, in the office of Deputy Director PBMC Peshawar, liability of Rs.6,42,517/- on the annual maintenance and special repair of residential houses in Khyber Road Colony and Gulshan Rehman Colony was paid from the current year budget. Auditable record such as detail cost estimate, technical sanction and measurement book (MB) were not produced for scrutiny. Thus the expenditure was unauthorized.

Departmental Version

64. The Department explained that the work referred to by Audit was of emergent nature and the same amount was released by Finance Department to PBMC. Consequently the work was carried out and necessary measurements were recorded in MB which was also recorded on paid vouchers. To a query raised by PAC regarding conducting Enquiry as per decision of DAC, the Department could not respond.

PAC Observation

65. The PAC noted with grave concern that the inquiry ordered by the DAC required to be conducted within one month, was not completed so far. It, therefore, observed that the Administrative Department was not giving importance to their own decision. The Committee directed that the Chief Secretary may be approached to issue a censure notice to the Administrative Secretary in whose tenure the decision was made and not implemented.

PAC Recommendation/Directive

66. The PAC directed that inquiry, as ordered by the DAC, may be initiated and completed within a week. Para stands. Progress be reported to PAC.

FOLLOW UP (C & W DEPARTMENT).

67. Follow-up for the years 1997-98, 2001-02, 2002-03 and 2003-04 was referred for examination to the Sub Committee comprising the following and the Department was directed to submit revised working paper within one week :-

- | | | |
|----|--------------------------|-----------|
| 1. | Mr. Abdul Akbar Khan, | Chairman. |
| 2. | Mr. Fazal Shakoor Khan, | Member. |
| 3. | Mr. Muhammad Zamin Khan, | Member. |

FOLLOW UP (PHE DEPARTMENT)

68. The Secretary PHE Department, referring to the short staffing, lack of office accommodation and office equipments, requested the PAC to extend necessary support and reasonable time to it for implementation of the PAC directives issued from time to time. He further requested for the distribution of computers purchased by the C&W Department under the Scheme titled "DATA Base Development, based on

Electronic Tools/MIS/GIS for Works & Services Department” ADP # 437/50228 (2010-11), containing provision of computers for the Chief Engineer PHE and XENs offices at District level in the approved PC-I. The chairman directed the department to submit a comprehensive case in the matter to the PAC Cell so that a joint meeting of PHE, C&W and Administration (E&A) departments could be convened to resolve the issue of office accommodation and distribution of computers once for all.

69. To a query raised by Mr. Saqib Ullah Khan Chamkani regarding non responsive reply of PHE department for the implementation status of DP No. 7, the Chairman directed that the PAC directives should be implemented in letter and spirit and no department shall be allowed to flout the spirit of the PAC decisions. The forum allowed the department to reconstitute the requisite Inter Departmental Committee, for re-probing the factual evidence regarding DP No. 44 district Lower Dir.

70. In view of the above the follow-up business for the years 1997-98, 2001-02, 2002-03, 2003-04 & 2004-05 pertaining to PHE Department was also referred to the above Sub-Committee.

IRRIGATION DEPARTMENT

Seven (07) Draft Paras, reflected in the Audit Report for the year 2005-06, were taken up for examination by the PAC in its meeting held on 15th July, 2010. The following were present:-

Public Accounts Committee.

- | | | |
|----|------------------------------------|-----------|
| 1. | Mr. Kiramatullah Khan, Speaker | Chairman. |
| 2. | Mr. Abdul Akbar Khan, MPA | Member |
| 3. | Mr. Mukhtiar Ali, MPA | Member |
| 4. | Mr. Saqib-Ullah Khan Chamkani, MPA | Member. |
| 5. | Syed Muhammad Ali Shah Bacha, MPA | Member |
| 6. | Mr. Fazal Shakoor Khan, MPA | Member |
| 7. | Mr. Ziyad Akram Durrani, MPA | Member |
| 8. | Malik Tamash Khan, MPA | Member |

Finance Department.

1. Mr. Masood Ahmad,
Additional Secretary.
2. Mr. Masood Khan,
Deputy Secretary (PAC).

Law Department

Mr. Muhammad Ibrahim,
Additional Secretary.

Audit Department.

1. Mr. Javed Iqbal,
Director, Audit.
2. Mr. Jan Israr,
Deputy Director.
3. Mr. Shamsur Rehman,
Audit Officer.

Irrigation Department.

1. Mr. Mohammad Ishfaq Khan,
Secretary.
2. Mr. Riaz Ahmad Khan,
Chief Engineer.

3. Mr. Musrim Khan,
XEN, Swabi.

Provincial Assembly of Khyber Pakhtunkhwa.

1. Mr. Amanullah,
Secretary.
 2. Mr. Amjad Ali,
Additional Secretary.
 3. Mr. Inamullah Khan,
Deputy Secretary,
2. The PAC having considered Audit point of view and explanation advanced by the Department made recommendations on each para as under:-

D.P. 8.1 UN-AUTHORIZED EXPENDITURE – RS. 20.41 MILLION.

Audit Version

3. During the year 2003-04, in the office of Executive Engineer Paharpur, Irrigation Division, D.I.Khan, expenditure of Rs. 20.41 million was incurred on the construction of canals (minors) at Mian Wada, Bilot Khanu Khel, Kalagora and at Takar Wah distributory. These funds were approved for the construction of dams which were unauthorizedly diverted and utilized on the construction of minors.

Departmental Version

4. The Department contended that it was only misclassification done by the Finance Department. The amount has been spent on the proper scheme.

PAC Observation

5. The PAC observed that the Department should have brought the fact of misclassification to the notice of the Finance Department and should have pursued the same vigorously for corrective measures. The para would have not come to the PAC if the issue was taken up with Finance Department in time.

PAC Recommendation/Directive

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

D.P. 8.2 NON-ACCOUNTAL OF STONE/BOULDERS – RS. 18.81 MILLION.

Audit Version

7. During the year 2003-04, in the office of Executive Engineer Paharpur, Irrigation Division, D.I.Khan, expenditure of Rs. 18.81 million was incurred on supply and dumping of stone in works “restoration of 8 spurs”. In all works the stone/boulders were not taken on material at site account (MAS) and deduction @ 15% for voids was not made, resulting in over payment of Rs. 2.82 million.

Departmental Version

8. The Department explained that in the instant case of measurements for payment was based on X-Sectional quantities and per condition of contract, hence making receipt entry on MAS and then issue entry for dumping was not required. However, as per DAC decision, MB is ready for verification by Audit.

PAC Recommendation/Directive

9. Subject to verification of MB with cross sectional quantities, the para was recommended to be dropped.

D.P. 8.3 LOSS DUE TO THEFT OF GOVERNMENT VEHICLE – RS. 2.2 MILLION.

Audit Version

10. During the year 2004-05, in two offices of Irrigation Department i.e. office of Superintending Engineer, Malakand Irrigation Circle and Chief Engineer Irrigation NWFP, two vehicles were lifted and had not yet been recovered, therefore, the Government was put to loss of Rs. 2.2 million.

Departmental Version

11. The Department explained that separate inquiries were conducted into the theft cases of two vehicles referred to by Audit and both the officers were exonerated by the Inquiry Officer on the grounds that the said vehicles were lost due to factors beyond the control of concerned officers. Consequently the Department has taken up the case with the Finance Department for obtaining write off sanction on the depreciated costs of the vehicles.

PAC Observation

12. The PAC observed that the inquiry officer had only relied upon the statements of the officers involved, hence it did not agree with the finding of the inquiry officer.

PAC Recommendation/Directive

13. The PAC, therefore, directed that fresh inquiry in the cases may be conducted within a month and report of the same may be submitted to PAC for further deliberations.

D.P. 8.4 EXCESS EXPENDITURE DUE TO ADDITIONAL WORKS – RS. 1.09 MILLION.**Audit Version**

14. During the year 2003-04, in the office of Executive Engineer Paharpur, Irrigation Division, D.I.Khan, expenditure of Rs. 12.79 million was incurred against the provision of Rs. 11.82 million in the PC-I, resulting in excess expenditure of Rs.1.09 million.

Departmental Version

15. The Department explained that excess expenditure of Rs.1.09 million was within the permissible limit allowed by ECNEC and as per DAC decision, the Department produced technical sanction and instructions of the Federal Flood Commission, during the meeting for verification.

PAC Observation

16. The PAC observed that revised PC-I in this case was not required. The Audit only demanded PC-I and Technical Sanction in the DAC meeting. The Department produced Technical Sanction before the Committee.

PAC Recommendation/Directive

17. In view of Technical Sanction produced by the Department, the para was recommended to be dropped.

**D.P. 8.5 UN-VERIFIED EXPENDITURE ON ACQUISITION OF LAND –
RS. 5,51,967/-.**

Audit Version

18. During the year 2002-03, in the office of Executive Engineer Paharpur, Irrigation Division, D.I.Khan, expenditure of Rs.5,51,967/- was incurred on acquisition of land against the provision of PC-I i.e. Rs. 2,87,000/-. Moreover, relevant record i.e. mutation deed and actual payee's receipts were also not available on record which created doubt about the authenticity of expenditure.

Departmental Version

19. The Department explained that provision in PC-I was reflected tentatively and the payment was made on actual cost of land worked out by Revenue Department, so the actual cost was later on included in the revised PC-I amounting to Rs.10.793 million duly approved by Secretary Irrigation, acknowledgment of which has been obtained from DRO, D.I. Khan.

PAC Observation

20. The PAC observed that the amount of land acquisition was disbursed by the Revenue Department. It involved different procedural problems because of which the disbursement was delayed which was beyond the control of the Department.

PAC Recommendation/Directive

21. Para stands for obtaining actual payee's receipts from the Revenue Department. Progress be reported to PAC in this regard.

**D.P. 8.6 UN-VERIFIED EXPENDITURE ON UPROOTING AND
REMOVING OF STUMPS – RS. 5,08,651/-.**

Audit Version

22. During the year 2003-04, in the office of Executive Engineer Paharpur, Irrigation Division, D.I.Khan, expenditure of Rs. 5,08,651/- was incurred on an item of work "Uprooting and removing of 2360 stumps @ Rs. 215.53 each". However, there was no record regarding the disposal of these stumps which made the entire expenditure unauthentic.

Departmental Version

23. The Department assured flatly that recovery in this case would be made within two months.

PAC Recommendation/Directive

24. The PAC, accepting the assurance of the Administrative Secretary, directed that recovery must be completed within two months. Para stands till complete recovery, progress be reported to PAC Cell.

D.P. 8.7 OVERPAYMENT DUE TO NON ADJUSTMENT OF STONE – RS. 3,96,263/-.**Audit Version**

25. During the year 2003-04, in the office of Executive Engineer Paharpur, Irrigation Division D.I. Khan, expenditure of Rs.6.991 million was incurred on supply and dumping of 14733.341 cubic meter stone in spur No. 21-A. However, the quantity of stone 949.43 cubic meter was not utilized. Therefore, resulted in overpayment of Rs.3,96,263/-.

Departmental Version

26. The Department explained that the stone referred to by Audit was a reserved stock for emergency during flood season, which could be utilized in emergency as per instructions of Federal Flood Commission (Advisory Committee).

PAC Recommendation/Directive

27. Subject to verification of stock of stone that as to whether voids were deducted or otherwise and payment was made for procurement only, the para was recommended to be dropped.

FOLLOW UP

28. Follow-up for the years 1997-98, 2001-02, 2002-03 and 2003-04 was referred to the Sub Committee already constituted for the purpose.

HOME & TRIBAL AFFAIRS DEPARTMENT

Four (04) Draft Paras, reflected in the Audit Report for the year 2005-06, were taken up for examination by the PAC in its meeting held on 15th July, 2010. The following were present:-

Public Accounts Committee.

- | | | |
|----|------------------------------------|-----------|
| 1. | Mr. Kiramatullah Khan, Speaker | Chairman. |
| 2. | Mr. Abdul Akbar Khan, MPA | Member |
| 3. | Mr. Mukhtiar Ali, MPA | Member |
| 4. | Mr. Saqib-Ullah Khan Chamkani, MPA | Member. |
| 5. | Syed Muhammad Ali Shah Bacha, MPA | Member |
| 6. | Mr. Fazal Shakoor Khan, MPA | Member |
| 7. | Mr. Ziyad Akram Durrani, MPA | Member |
| 8. | Malik Tamash Khan, MPA | Member |

Finance Department.

1. Mr. Masood Ahmad,
Additional Secretary.
2. Mr. Masood Khan,
Deputy Secretary (PAC).

Law Department

Mr. Muhammad Ibrahim,
Additional Secretary.

Audit Department.

1. Mr. Javed Iqbal,
Director, Audit.
2. Mr. Jan Israr,
Deputy Director.
3. Mr. Shamsur Rehman,
Audit Officer.

Home & Tribal Affairs Department.

1. Mr. Akbar Khan,
Secretary.
2. Mr. Sajid Ali Khan,
DIG, HQ.

3. Mr. Abdur Rashid,
SSP, HQ, Peshawar.

Provincial Assembly of Khyber Pakhtunkhwa.

1. Mr. Amanullah,
Secretary.
 2. Mr. Amjad Ali,
Additional Secretary.
 3. Mr. Inamullah Khan,
Deputy Secretary,
2. The PAC having considered Audit point of view and explanation advanced by the Department, made recommendations on each Para as under:-

D.P. 7.1 UNAUTHORIZED EXPENDITURE ON REPAIR OF VEHICLES – RS. 2.007 MILLION.

Audit Version

3. During the years 2001-02 and 2003-04, in the office of Assistant Inspector General of Police Telecommunication Peshawar, expenditure of Rs. 1.32 million was incurred on the repair of vehicles without inviting open tenders.

Departmental Version

4. The Department explained that many vehicles were repaired at various times of the financial year as and when repair was necessary. Proper limited tender system was adopted. There was no doubt that NIT was published in the news paper but non was ready to offer their rates till the target date as usually the Police Department work on loan basis and as such the suppliers did not offer their rates.

PAC Observation

5. The PAC observed that why was second tender not invited? When was decision of DAC arrived as the Purchase Committee cannot by-pass the procedure of adopting open tender system?

PAC Recommendation/Directive

6. The PAC accepted the explanation of the Department and the para was recommended to be dropped with the direction that in future proper procedure, as

provided in the rules for repair & maintenance of vehicles, must be followed in letter and spirit.

D.P. 7.2 NON DEPOSIT OF RENT OF BUILDING – RS. 2,87,500/-.

Audit Version

7. In the office of Chief Capital Police Peshawar, Rs. 2,87,500/- were realized as rent of building from Habib Bank, Police Line Branch, Peshawar @ Rs.6,250/- PM from 01/09/1998 to 30/06/2002, which was not deposited in Government Treasury.

Departmental Version

8. The Department explained that the Bank was constructed out of private funds and no Government money was used for the purpose.

PAC Recommendation/Directive

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

D.P. 7.3 OVERPAYMENT ON PURCHASE OF EQUIPMENTS – RS. 1,82,908/-.

Audit Version

10. During the year 2001-02, in the office of Assistant Inspector General Telecommunication Police Peshawar, payment of Rs.5.88 million was made against the bill of Rs.5.70 million to a supplier for purchase of wireless communication equipment, which resulted in overpayment of Rs.1,82,908/-.

Departmental Version

11. The Department explained that the para in question already discussed in the meeting of PAC on 13/04/2009, has been recommended to be dropped after verification of relevant record. Record was produced on the spot in the PAC which was verified.

PAC Recommendation/Directive

12. This para was erroneously reflected in the present report as it has already been dropped by the PAC in its meeting held on 13/04/2009. No action is required.

D.P. 7.4 NON-DEPOSIT OF TRAFFIC LICENSE FEE – RS. 1,38,450/-.**Audit Version**

13. During the year 2001-02, in the office of Superintendent Police Charsadda, license fee of Rs. 1,38,450/- covering 213 cases of traffic licenses was not deposited in the Public Account.

Departmental Version

14. The Department explained that the actual amount was Rs.1,06,229/- instead of Rs.1,38,450/- out of which Rs.1,01,229/- have been recovered. Further more, an inquiry was conducted and responsible persons have been punished.

PAC Recommendation/Directive

15. As admitted by the Department that amount except Rs.5,000/- has been recovered and punishment awarded, the PAC directed that recovery may be got verified by Audit and rest of the recoverable amount may be recovered within one month. Para stands till complete recovery.

FOLLOW UP

16. Follow up for the years 1997-98, 2001-02, 2002-03 & 2003-04 pertaining to Irrigation, Communication & Works (PBMC) and Home & Tribal Affairs Departments, will be discussed by the Sub Committee already constituted for the purpose.

AGRICULTURE, LIVESTOCK & COOPERATION DEPARTMENT

Two (02) Draft Paras, reflected in the Audit Report for the year 2005-06, were taken up for examination by the PAC in its meeting held on 16th July, 2010, but could not be examined due to the absence of Secretary Agriculture. The same were discussed on 21st February 2011 in the Conference Room of the Assembly Secretariat, Peshawar. The following were present:-

Public Accounts Committee.

- | | | |
|----|--------------------------------|-----------|
| 1. | Mr. Kiramatullah Khan, Speaker | Chairman. |
| 2. | Mr. Abdul Akbar Khan, MPA | Member. |
| 3. | Mr. Mukhtiar Ali, MPA | Member. |
| 4. | Mr. Saqib-Ullah Khan, MPA | Member. |
| 5. | Mr. Ziyad Ahmad Durrani, MPA | Member |
| 6. | Malik Tamash Khan, MPA | Member |

Finance Department.

Mr. Muhammad Idress Khan,
Additional Secretary.

Law, Parliamentary Affairs and Human Rights Department.

Mr. Muhammad Ibrahim,
Additional Secretary.

Audit Department.

1. Mr. Javed Iqbal,
Director.
2. Mr. Asif Rasheed,
Deputy Director.

Agriculture, Livestock & Cooperation Department

1. Mr. Muhammad Afsar Khan,
Secretary.
2. Mr. Nazir Hussain,
Director General, Research.
3. Mr. Bashir Ahmad,
Director General, Outreach.

Provincial Assembly of Khyber Pakhtunkhwa

1. Mr. Amanullah,
Secretary.
 2. Mr. Amjad Ali,
Additional Secretary.
 3. Mr. Inamullah Khan,
Deputy Secretary.
 4. Mr. Tariqullah,
Assistant Secretary.
2. The PAC having considered Audit point of view and explanation advanced by the Department, made recommendations on each Para as under:-

DP.No.1.1 **UN-AUTHORIZED EXPENDITURE OF Rs.5,41,552/-.**

Audit Version.

3. The Audit reported that the office of Director Cereal Crops Research Institute, Pirsabak Nowshera, incurred an expenditure of Rs.5,41,552/- during the year 2001-02 without adopting open tender system on the purchase of pesticides and chemicals from a supplier which was violation of para-144 of GFR Vol-1.

Departmental Version.

4. The Department admitted irregularity and explained that pesticides were purchased on emergent basis and could not be anticipated in advance hence it was impossible to float tender. However, the same were purchased on the rates received to Oil and Seed Development Board in an open tender.

PAC Observation.

5. The Committee observed that the issue is not as simple as contended by the Department during the meeting, there might be some gross irregularity as the Department had failed to convince DAC, being chaired by the Secretary of the Department. The Committee noted with grave concern that despite the lapse of five years, the Department has failed either to conduct inquiry or take up the case with Finance Department for condonation sanction.

PAC Recommendation/Directive.

6. The Committee recommended that an enquiry may be conducted to initiate action leading to recovery after fixing responsibility. Para stands. Progress be reported to PAC.

DP.No.1.2 **UN-AUTHORIZED EXPENDITURE ON FUNCTIONS AND SEMINARS AMOUNTING TO Rs.4,65,000/-.**

Audit Version.

7. The Audit reported that during year 2003-04, the office of Director, Outreach Agriculture University Peshawar incurred an expenditure of Rs.4,65,000/-on seminars and function without approval of the Chief Secretary. Hence, the expenditure was unauthorized. The para was discussed in DAC wherein Department was directed to obtain condonation sanction from Finance Department.

Departmental Version.

8. The Department explained that Director General Outreach was under the control of University at that time, which being an autonomous body, was not responsible to the Department. The case has now been taken up with Finance Department for condonation.

PAC Observation.

9. The Committee noted that initially the caption of Advance Para was “Advance Payment for arranging seminars, Function etc” but now in the draft para it has been changed to “Unauthorized Expenditure on Functions and Seminars”. Furthermore, the Committee observed that theses practices are creating favorable environment for corruption. Moreover, the fact that the Finance Department has not accorded condonation sanction clearly indicates that it is an act of gross irregularity.

PAC Recommendation/Directive.

10. The Committee directed the Department to take proper case with the Finance Department for condonation and in case of failure, inquiry may be conducted and disciplinary action may be taken against the responsible within a month. Para stands, progress be reported to PAC.

FOLLOW UP

16. Follow up for the years 1997-98, 2001-02, 2002-03 & 2003-04 pertaining to Agriculture Livestock & Cooperation Department, will be discussed by the Sub Committee already constituted for the purpose.

HEALTH DEPARTMENT

Twelve (12) Draft Paras, reflected in the Audit Report for the year 2005-06, were taken up for examination by the PAC in its meeting held on 16th July, 2010, but could not be examined due to the absence of Secretary Health. The same were discussed on 21st February 2011 in the Conference Room of the Assembly Secretariat, Peshawar. The following were present:-

Public Accounts Committee.

- | | | |
|----|--------------------------------|-----------|
| 1. | Mr. Kiramatullah Khan, Speaker | Chairman. |
| 2. | Mr. Abdul Akbar Khan, MPA | Member. |
| 3. | Mr. Mukhtiar Ali, MPA | Member. |
| 4. | Mr. Saqib Ullah Khan, MPA | Member. |
| 5. | Mr. Ziyad Ahmad Durrani, MPA | Member |
| 6. | Malik Tamash Khan, MPA | Member |

Finance Department.

Mr. Muhammad Idress Khan,
Additional Secretary.

Law, Parliamentary Affairs and Human Rights Department.

Mr. Muhammad Ibrahim,
Additional Secretary.

Audit Department.

1. Mr. Javed Iqbal,
Director.
2. Mr. Asif Rasheed,
Deputy Director.

Health Department

1. Prof: Noor-ul-Iman,
Special Secretary.
2. Dr. Sajid Shaheen,
Director General, Health Services.
3. Dr. Abdul Hameed Afridi,
Chief Executive, LRH, Peshawar.
4. Dr. Muhammad Zaffar,
Chief Executive, KTH.

5. Dr. Khizar Hayat Khan,
M.S, KTH, Peshawar.
6. Dr. Umar,
M.S, DHQ Hospital, Kohat.
7. Dr. Shagufta Parveen,
M.S, Ayub Teaching Hospital, Abbottabad.
8. Mr. M. Saeedullah Yousfzai,
Director Finance, KTH, Peshawar.

Provincial Assembly of Khyber Pakhtunkhwa

1. Mr. Amanullah,
Secretary.
 2. Mr. Amjad Ali,
Additional Secretary.
 3. Mr. Inamullah Khan,
Deputy Secretary.
 4. Mr. Tariqullah,
Assistant Secretary.
2. The PAC having considered Audit point of view and explanation advanced by the Department, made recommendations on each Para as under:-

DP.No.6.1 **NON DEPOSIT OF HOSPITAL RECEIPT Rs.1.98(MILLION)**

Audit Version

3. The Audit reported that in the office of the Medical Superintendent KTH Peshawar, Rs.9.16 Million were realized as receipt from various sources out of which Rs.7.18 Million were deposited in Government treasury resulting Non deposit of Rs.1.98 Million.

Departmental Version.

4. The Department explained that inquiry was conducted as per decision of DAC and according to the inquiry report, the amount realized had been fully deposited in to the Chief Executive Fund Account and nothing was outstanding against any contractor or KTH officials. The Department further told that the Audit observation was based on receipt statement signed by unauthorized person without consulting the original record.

PAC Observation.

5. The Committee noted that an inquiry ordered by DAC in 2005 was not accomplished upto 2010 and the one submitted to PAC was made in hurry just before the commencement of PAC meeting which is nothing but a mere eye wash. The inquiry report failed to satisfy both Audit and PAC. Moreover, the Department failed to respond properly to the queries raised by the Committee.

PAC Recommendation/Directive.

6. The Committee directed the Audit and the Department to sit together and verify the record within a week time. Para stands till verification of record.

DP.No 6.6 **NON-DEPOSIT OF HOSPITAL RECEIPTS Rs.4,68,161/-**

Audit Version

7. The Audit reported that in the office of Medical Superintendent Khyber Teaching Hospital, Peshawar, 5,26,283 chits were issued in OPD of various units and Rs.26,31,145/- @ Rs.5/- per chit as user charges were required to be deposited. Rs.21,63,254/- were deposited into Government account which resulted in short-deposit of Rs.4,68,161/-. DAC directed to conduct enquiry through Chief Executive to ascertain factual position and fixing responsibility.

Departmental Version.

8. The Department contradicted the Audit version and stated that Audit has made calculation on the presumption that total chits have been utilized and on same analogy has calculated the amount to Rs.26,31,145/- while practically its 100 % utilization is impossible. In the instant case some of the chits were lost and in some cases emergency treatment was provided to the patients who were exempted from payment. It further told that detailed inquiry was conducted as per decision of DAC according to which whole amount collected had been deposited and no officer of the KTH was involved.

PAC Observation.

9. The Committee noted with heavy heart the reply of the Department in working paper which stated that “para was based on presumption and fake statement

which the Audit party itself admitted” and warned the Department that such statement should not be recorded in the working papers. The Department admitted and rendered apology before the committee. The Committee also noted that inquiry which was to be accomplished in 2005 could not be completed till 2010 and the one conducted was evasive and could not solve the purpose as it could not satisfy the Committee and Audit.

PAC Recommendation/Directive.

10. The Committee directed the Audit and Department to sit together and verify the record within a week time. Para stands till verification of record.

DP.No.6.2 **NON ACCOUNTAL OF STORE RS.1 MILLION.**

Audit Version

11. The Audit reported that in the office of Chief Executive Hayatabad Medical Complex, Peshawar, store items valuing Rs.1 Million were shifted from Lady Reading Hospital (LRH) Peshawar to Hayat Abad Medical Complex (HMC). These items were not taken on the stock register and were found missing during physical verification. DAC directed to conduct an enquiry and to submit within a month but no progress has been intimated till finalization of the report.

Departmental Version.

12. The Department explained that total 6-units were shifted from LRH to HMC along with staff. The list of the equipments was checked and physically verified and it was found that the items of ENT ward were short.

PAC Observation

13. The Committee asked about the absence of Chief Executive and Medical Superintendent of HMC. The Special Secretary told that that he had personally informed them both verbally and in written form, but they have not bothered to attend the meeting. The Committee observed with concern that enquiry ordered by the DAC in July 2005 was not finalized even after the lapse of 6 years.

PAC Recommendation/Directive.

14. The Committee recommended action leading to recovery after fixing responsibility. Para stands. Progress be reported to PAC.

DP.No.6.5 **NON-DEPOSIT OF HOSPITAL RECEIPTS RS.5,44,068/-**

Audit Version

15. The Audit reported that in the office of Chief Executive Hayatabad Medical Complex, Peshawar Rs.5,44,068/- were realized on account of admission fee, room rent and other charges. Record showing entitled, directly admitted or patients shifted from wards was not maintained. Two registers were maintained for receipt collection which resulted in non-deposit of receipts. DAC after going through the record ordered inquiry for fixing responsibility with in a month.

Departmental Version.

16. The Department explained that two separate registers were kept by two different nurses in their respective tenure in chronological order and no duplication or embezzlement was involved in the Para.

PAC Recommendation/Directive.

17. The Para was recommended to be dropped subject to verification of record with in week time. Progress be reported to PAC.

DP.No.6.3 **PURCHASE OF EQUIPMENTS BELOW SPECIFICATION AND NON-RECOVERY OF SALES TAX RS.1.15 MILLION.**

Audit Version

18. The Audit report that during the year 2003-04 in the office of Director General Health Services, Khyber Pakhtunkhwa, Peshawar expenditure of Rs.1.15 million was incurred on the purchase and installation of Echocardiography equipment and Ultrasound machine from Toshiba Malaysia with local made trolley instead of getting imported trolley according to the term of contract agreement. Therefore, the assembling of the equipment was below specification. Sales tax of Rs.1,49,348/- was also not deducted as verified invoices by sales tax authorities were not produced.

Departmental Version.

19. The Department explained that as per DAC decision, inquiry was conducted and it was found that Ultrasound machine and Echocardiography machine were functional and the firm was registered with sales Tax Department, therefore, sales tax was not recovered.

PAC Recommendation/Directive.

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

DP.No.6.12 **LOSS DUE TO SUBSTANDARD SUPPLY OF MEDICINES**
Rs.1,50,000/-

Audit Version

21. The Audit reported that during the year 2003-2004 in the office of Director General Health Services Khyber Pakhtunkhwa Peshawar, 25,000 Inj; Streptomycin costing Rs.1,50,000/- were purchased under TB Control Programme. Drug testing Laboratory declared Injections as substandard. Neither the Injections were replaced nor its cost recovered from the supplier. The Government was put to sustain a loss of Rs.1,50,000/- besides creating a great public health risk.

Departmental Version.

22. The Department explained that the injection was declared substandard by drug testing laboratory and the case was referred to Drug Court. Moreover, no payment had been made to the contractor and the cheque drawn had been subsequently deposited in government treasury and as such no loss has occurred to Government.

PAC Recommendation/Directive.

23. The explanation of the Department being plausible was accepted by the Committee and the Para was recommended to be dropped.

DP.No.6.4 LOSS OF RS. 9,00,000/- TO GOVT: DUE TO PURCHASE OF EQUIPMENT BELOW SPECIFICATION AND DEFECTIVE.

Audit Version

24. The Audit reported that in DHQ Hospital Kohat equipment “Central Station for 8 Beds” was purchased at a cost of Rs.9,00, 000/-.M/S Electro Offered the lowest rate of Rs.7,33,700/- as against PC-I cost of Rs.8,00,000/- but was not approved. The 2nd and 3rd lowest rate of S.M.E for Rs.7,50,000/- and Meditron of Rs.8,05,000/- were also rejected. The 4th lowest M/S Matora Engg: Peshawar for Rs.9,95,000/- was approved with a negotiated price of Rs.9,00,000/- which was still more by Rs.1,00,000/- than the PC-I cost. On further scrutiny specification for the equipment was found “Central Station for 12 Beds” while the supplier procured “Central Station for 8 beds” which was below specification.

Departmental Version.

25. The Department explained that the fourth lowest rate was accepted by Inter Departmental Purchase Committee in view of its suitability/compatibility. The monitor could not be installed till 2005 due to some deficiencies. It was in 2005 that Department compelled the same company to reinstall fresh monitors and showed the certificate of the Cardiologist.

PAC Observation.

26. The Committee noted difference in the reply of the Department furnished in the working paper and the one advanced during meeting. It noted with heavy heart that once the cardiologist has raised objection in written letters earlier and now the Department was producing certificate to the effect that the same is now fully functional with no defect. Moreover, it was also brought to the notice of the Committee that that same system became dysfunctional in 2006 and lying in store now. The Department failed to properly respond to the queries raised by Audit and Committee Members during the meeting.

PAC Recommendation/Directive.

27. Since detail scrutiny of the case was required, therefore, the Para was referred to the Sub-Committee consisting of M/S Mukhtiar Ali, and Saqib Ullah Khan Chamkani, MPAs. The Sub-Committee will present its report within one month.

DP.No.6.7 MISSING EQUIPMENT, INSTRUMENTS AND FURNITURE VALUING Rs.3,43,450/-.**Audit Version**

28. The Audit reported that on establishment of DHQ Hospital Kohat Eye, ENT, Orthopedic Wards, OPDs and Operation Theatres were shifted to DHQ Hospital from Liaqat Memorial Hospital Kohat, equipment, instruments related to these OPDs/Wards were also ordered to be shifted to the new hospital. Equipment valuing Rs.3,43,450/- were, however, not found shifted while it is worth mentioning that the said equipment are also not available in LMH Kohat at present despite an expenditure of Rs.26,200/- on its transportation.

Departmental Version.

29. The Department explained that all the equipments were completely shifted to the new hospital along with stock register. Other used equipments of different OPD's/wards were returned to store on proper entry and the record is now available.

PAC Observation.

30. PAC did not agree with explanation advanced by the Department and contended that why it could not satisfy the DAC which was chaired by the Administrative Secretary and if the Department had advanced any plausible explanation than DAC would not have ordered inquiry for fixing responsibility. Furthermore, the Committee showed its displeasure over inability of the Department to hold inquiry as per decision of DAC and termed it as wasting time of the PAC. Moreover, the Department failed to answer the queries raised by the members and only relied on written comments which too could not solve the purpose.

PAC Recommendation/Directive.

31. The PAC upheld the decision of DAC and directed to conduct inquiry and to initiate action leading to recovery. Para stands. Progress be reported to PAC.

DP.No.6.8 UN-AUTHORIZED EXPENDITURE ON LOCAL PURCHASE OF MEDICINE Rs.3,58,262/-**Audit Version**

32. The Audit reported that in the office of the Chief Executive Lady Reading Hospital, Peshawar, expenditure of Rs.4.22 Million was incurred on the local purchase of medicines out of which an expenditure of Rs.3,58,262/- was incurred by the Deputy Medical Superintendent and Chief Pharmacist without approval of the competent authority. Hence, the expenditure was unauthorized.

Departmental Version.

33. The Department explained that no doubt Chief Executive is the sanctioning authority but it is impossible for him to be present day and night in Hospital and sanction the purchase of medicine in case of emergency like Bomb Blast and Accidents. Therefore, the Chief Pharmacist, and Deputy Medical Superintendent were authorized for making local purchase after office hours. In support of its contention, Department presented the SOP's framed, before the Committee.

PAC Recommendation/Directive.

34. In view of the plausible explanation and documentary proof in support by the Department, the Para was recommended to be dropped.

DP.No.6.10 NON-ACCOUNTAL OF STORES Rs.2,12,880/-**Audit Version**

35. The Audit reported that in the office of Chief Executive Lady Reading Hospital Peshawar, 84 double lumen catheter and 48 anesthesia masks valuing Rs.212.880 were issued from the main store to the dialysis section but the expense was not shown in the stock register of the dialysis section resulting in non-Accountal of store.

Departmental Version.

36. The Department admitted the contention of Audit but it was added that the hospital administration has already taken action against the person held responsible. Loss sustained has been recovered from responsible in the shape of the original short items.

PAC Recommendation/Directive.

37. In view of the plausible explanation advanced by the Department that the requisite action has been taken and loss recovered, the Para was recommended to be dropped.

DP.No.6.9 NON-ACCOUNTAL OF STORES Rs.2,38,265/-.**Audit Version**

38. The Audit reported that in DHQ Hospital Charsadda, expenditure of Rs.2,38,265/- was incurred on the local purchase of ABC Sera used for blood grouping and ACD Bags and chemicals. Neither the store was entered in the stock register nor was its consumption shown to audit.

Departmental Version.

39. The Department explained that the items amounting to Rs.2,38,265/- has neither been taken on main stock register nor shown its consumption in the sub stock register and hence the amount has been misappropriated by Store Keeper/Accountant named Mr. Khan Raziq, Junior Clerk who was transferred to Nowshehra. The concerned EDO (H) has been requested for necessary recovery from the official concerned.

PAC Observation.

40. The PAC showed its grave concern over the inability of the Department to take action against the Junior clerk even till date.

PAC Recommendation/Directive.

41. The PAC upheld the decision of DAC and recommended that the amount may be recovered from the person at fault along with disciplinary action. Para stands. Progress be reported to PAC

DP.No.6.11 LOSS DUE TO PURCHASE AT HIGHER RATES RS.2,09,520/-.**Audit Version**

42. The Audit reported that in Ayub Teaching Hospital, Abbottabad Rs.5,57,751/- were paid to M/s General traders Islamabad for purchase of 40 packets of CT Scan and X-Ray Films @ Rs.13,944/- each. During this year same size films were purchased from M/s AGFA Gavertt Pakistan @ Rs.8,706/- per packet as well. The Government was put to sustain a loss of Rs.2,09,520/-.

Departmental Version.

43. The Department explained that inquiry was conducted by Chief Executive, Ayub Teaching Hospital, Abbottabad, wherein it was recommended that :-

- i. The amount calculated by Audit on account of purchase of CT Scan film i.e. Rs.2,08,700/- was paid in excess on recommendations of the retired Professor Dr. Shahjehan Afridi, which was recoverable from the dealing hands/end user. Rs.820/- on account of supply of Dental X-ray film was paid excess without involvement of the end user was required to be recovered from the dealing hands.
- ii. Concerned procurement Department was directed to follow proper rules and be avoided such type of discrepancies in future.
- iii. Disciplinary action against the responsible officer/officials should be initiated against the concerned staff.

PAC Recommendation/Directive.

44. The PAC up held the recommendation of inquiry officer and recommended for implementation of the same. Para stands till complete recovery and disciplinary action.

FOLLOW UP

45. Follow up for the years 1997-98, 2001-02, 2002-03 & 2003-04 pertaining to Health Department, will be discussed by the Sub Committee already constituted for the purpose.

**REPORTS OF VERIFICATION OF RECORD COMMITTEE, SUB COMMITTEES
AND INTER DEPARTMENTAL COMMITTEES.**

The Public Accounts Committee took up for consideration the Reports of verification of record Committee, Sub-Committees and Inter Departmental Committees on 19th July 2010 in the Conference Room of Khyber Pakhtunkhwa House Abbottabad.

The following were present:-

Public Accounts Committee.

- | | | |
|----|------------------------------------|-----------|
| 1. | Mr. Kiramatullah Khan, Speaker | Chairman. |
| 2. | Mr. Abdul Akbar Khan, MPA | Member |
| 3. | Syed Muhammad Sabir Shah, MPA | Member |
| 4. | Mr. Mukhtiar Ali, MPA | Member |
| 5. | Mr. Saqib-Ullah Khan Chamkani, MPA | Member. |
| 6. | Mr. Fazal Shakoor Khan, MPA | Member |
| 7. | Malik Tamash Khan, MPA | Member |

Finance Department.

1. Mr. Masood Ahmad,
Additional Secretary.
2. Mr. Masood Khan,
Deputy Secretary (PAC).

Law Department

Mr. Muhammad Ibrahim,
Additional Secretary.

Audit Department.

Mr. Javed Iqbal,
Director, Audit.

Population Welfare Department

Mr. Ahmad Hanif,
Secretary.

Health Department

Mr. Abdul Hameed,
Superintendent.

Food Department

1. Mr. Zahoor ul Islam,
Director.
2. JAM Goods,
Contractor.

Communication & Works Department

1. Mr. Faizullah,
XEN.
2. Mr. Aminullah,
Admn: Officer.

Anti-Corruption Court, Bannu

Mr. Nawab Zarin,
Dy.P.P.

Provincial Assembly of Khyber Pakhtunkhwa.

1. Mr. Amanullah,
Secretary.
2. Mr. Amjad Ali,
Additional Secretary.
3. Mr. Inamullah Khan,
Deputy Secretary,
2. The meeting commenced with recitation of the Holy Qura'n.

REPORT OF VERIFICATION OF RECORD COMMITTEE

Mr. Saqib Ullah Khan Chamkani MPA Chairman verification of record committee presented the report of the committee and told that in pursuance of the decision of Public Accounts Committee made in its meeting held on 24-07-2007, a Committee was constituted to carry out verification of record, under rule 188 of the Provincial Assembly of North West Frontier Province Procedure and Conduct of Business Rules, 1988, comprising the following :-

- | | | |
|----|--|----------|
| 1. | Mr. Pir Muhammad Khan (Late), MPA | Chairman |
| 2. | A representative of Audit Department | Member |
| 3. | A representative of Finance Department | Member |
| 4. | A representative of concerned Department | Member |

2. Due to the dissolution of Assembly the Committee could not complete the task assigned to it. After holding general elections, it was re-constituted under the Chairmanship of Mr. Alamzeb Khan (Late), MPA on 20-12-2008 in order to carry out verification of record pertaining to draft paras pending before the Committee.

3. On the sad demise of Mr. Alamzeb Khan, MPA/Chairman, Verification of Record Committee, he was replaced by the undersigned on 06-04-2009.

4. Mr. Saqibullah Khan Chamkani, MPA, Chairman Sub-Committee unveiled to the Committee that 232-Paras pertaining for the years 1997-98, 2001-02, 2002-03, 2003-04 and 2004-05 were examined by the Committee in its twenty (20) sittings. Providing the details, he told that (207) Draft Paras were recommended for settlement after verification, while 14-Draft Paras were re-referred to PAC due to the fact that record could not be produced whereas nine (11) draft paras were pending either due to lack of record and or recoveries were in progress.

5. The following table shows the detail of total DPs. referred to the Committee;

S.No	Department	Total DPs referred	Settled/Decided	Re-referred	Pending
1.	Agriculture	9	8	DP No.1 1997-98	0
2.	Food	9	8	DP No.39 1997-98	0
3.	Establishment and Administration	5	5	0	0
4.	Schools & Literacy	4	3	DP No.71 1997-98	0
5.	Zakat & Usher	2	2	0	0
6.	Industries	2	2	0	0
7.	Home & TAs	27	23	DP No.134 1997-98 DP No.55 2003-04, DPs No. 9.7& 9.14 2004-05	0
8.	Local Government	11	10	DP No.11 1997-98	0

9.	Higher Education	9	8	DP No.2 2002-03	0
10.	Health	46	44	DP No. 110 1997-98, DP No 8.1 2004-05.	0
11.	Environment	10	10	0	0
12.	Planning & Development	6	4	0	2
13.	Sport & Culture	8	8	0	0
14.	Irrigation	19	17	0	2
15.	Board of Revenue	24	20	0	4
16.	Works & Services	41	35	DPs No.71,88 & 89 1997-98	3
Total Draft Paras		232	207	14	11

7. Department wise observations of the Verification of Record Committee on each Draft Para are as under.

AGRICULTURE DEPARTMENT

DP No.1 IRREGULAR ALLOTMENT OF LAND MEASURING 794 ACRES TO (97-98) OTHER DEPARTMENTS.

In the meeting held on 29/06/2009 the Department could not provide the relevant documents to Audit for verification, the Para was therefore re-referred to PAC for final decision.

2. In its meeting held on 19-07-2010 the PAC upheld considered the Para and directed that both Agriculture and Education may be called to the next meeting of PAC to explain their position regarding allotment of land. Para stands for final decision of PAC.

DP No.35 NON-FORFEITURE OF SECURITY DEPOSIT.
(97-98)

3. In the meeting held on 29/06/2009 record pertaining to the amount of Rs.10,000/- was produced which was verified by Audit, hence the Para was recommended to be dropped.

**DP N0.76 NON-RECOVERY OF RS.24,003/- PAID ON ACCOUNT OF T.A
(97-98) ADVANCE TO THE STAFF. (97-98)**

4. In the meeting held on 09/4/2009 the Department produced relevant challan to audit which was verified, hence the Para was recommended to be dropped.

**DP No.123 NON DEPOSIT OF RS.6,90,414/-IN TO GOVERNMENT TREASURY ON
(97-98) ACCOUNT OF BANK PROFIT.**

5. In the meeting held on 29/6/2009 record pertaining to the amount of Rs.4,88,000/- was produced by the Department which was verified by Audit, hence the Para was recommended to be dropped.

**DP No.172 NON RECOVERY OF INCOME TAX WORTH RS.17,500/-.
(97-98)**

6. In the meeting held on 9/4/2009 the relevant documents regarding recovery of Income Tax worth Rs.17,500/- were verified by Audit, hence the Para was recommended to be dropped.

**DP NO.192 NON PRODUCTION OF AUDITABLE RECORD.
(97-98)**

7. Relevant record was produced and verification certificate was shown hence the Para was recommended to be dropped.

**DP NO.19 NON RECOVERY OF RS.57,196/- ON ACCOUNT OF HOUSE RENT
(2001-02) ALLOWANCE.**

8. In the meeting held on 29/6/2009 the Chairman showed his displeasure over the attitude of the Department for not implementing the directives issued in the previous meeting. However, on the assurance of the Department that the amount would be recovered within a week time, the Committee taking a lenient view, recommended that the same may be recovered with in a week positively. Para stands.

9. In the meeting of Verification of Record Committee held on 27-10-2010, the requisite record was produced, verified and the Para was recommended to be dropped.

**DP NO.3.2 NON -DEPOSIT OF RS.3.375 (M).
(2002-03)**

10. In the meeting of Verification of Record Committee held on 27-10-2010, the requisite record was produced and verified by Audit, therefore the Para was recommended to be dropped.

DP NO.3.4 IRREGULAR EXPENDITURE OF RS.90,522/-ON ACCOUNT OF (2002-03) REPAIR OF VEHICLE AND RS.53,407/-ON POL.

11. In the meeting held on 9/4/2009 the department could not produce relevant record, therefore the Committee directed that relevant challan should be provided to audit within three days for verification.

12. The Department produced original challans to Audit which was verified, hence the Para was recommended to be dropped.

FOOD DEPARTMENT

DP No.39 NON-SUBMISSION OF RUNNING ACCOUNT.
(97-98)

13. The Verification of Record (VOR) Committee in its meeting held on 29/6/2009, directed the Audit to carry out the verification of requisite record pertaining to the Draft Para but the officers/officials of the concerned Department did not produce the relevant record to Audit for verification, the Para was therefore, referred for consideration of PAC.

14. The PAC in its meeting held on 19-07-2010 agreed with the recommendation of VOR regarding re-referring the Para to it with further direction to the Department to take action against the officers/officials that did not bother to provide the record to Audit on recommendation of the Verification of Record Committee.

DP NO.72 OVER PAYMENT OF RS.1,28,998/- ON ACCOUNT OF ALLOWING
(97-98) **EXCESS DISTANCE.**

15. In the meeting of Verification of Record Committee held on 29/6/2009 the Department explained that amount involved had been recovered however disciplinary action could not be initiated due to the death of the concerned officer. The Chairman recommended that complete statement confirming that the concerned officials had passed away should be provided to the Committee in writing within three days positively.

16. The requisite statement was provided on 01/07/2009, hence the Para was recommended to be dropped.

DP NO.13 NON- COLLECTION OF SECURITY AMOUNTING TO RS.1,10,000/-
(2001-02) **FROM FLOUR MILLS.**

17. In the meeting of VOR Committee held on 9/4/2009, the Department produced the relevant record, which was verified by audit therefore, the Para was recommended to be dropped.

DP NO.15 LOSS OF RS.61,45,755/- BEING COST OF 4,09,717/- EMPTY GUNNY
(2001-02) **BAGS.**

18. In the meeting of VOR Committee held on 9/4/2009 the Department produced the document which was verified by Audit therefore, the Para was recommended to be dropped.

DP NO.6 NON-RECOVERY OF RS.8.48 MILLION FROM THE MINISTRY FOR
(2002-03) FOOD, AGRICULTURE AND LIVESTOCK (MINFAL).

19. In the meeting of VOR Committee held on 9/4/2009 the Audit verified the requisite amount through adjustment, the Para was therefore, recommended to be dropped.

DP NO.7 NON-COLLECTION OF RS.3.75 MILLION ON ACCOUNT OF
(2002-03) SECURITY FROM THE FLOUR MILLS OWNERS.

20. In the meeting of VOR Committee held on 9/4/2009 the Department produced the requisite notification, hence the para was recommended to be dropped.

DP NO.6.4 LOSS DUE TO SHORTAGE OF WHEAT AND EMPTY GUNNY BAGS
(2004-05) AMOUNTING TO RS.4,86,000/-.

21. The VOR Committee in its meeting held on 20/4/2009 the Department produced the requisite record which was verified by Audit hence, the para was recommended to be dropped.

DP NO.6.7 LOSS DUE TO LESS DEDUCTION OF INCOME TAX WORTH
(2004-05) RS.3,54,386/-.

22. In the meeting of VOR Committee held on 9/4/2009, record was produced and verified by Audit, therefore, the Para was recommended to be dropped.

DP NO.6.9 NON-RECOVERY OF EXCESS PAYMENT OF TRANSPORTATION
(2004-05) CHARGES AMOUNTING TO RS.2,54,694/-.

23. In the meeting of VOR Committee held on 20/4/2009 the Department produced the requisite record to Audit which was verified, hence, the para was recommended to be dropped.

ESTABLISHMENT AND ADMINISTRATION DEPARTMENT

DP NO.12 LOSS OF RS.0.321 MILLION DUE TO NON-DEPOSIT OF ROOM
(2001-02) RENT/TELEPHONE CHARGES.

24. In the meeting of VOR Committee held on 14/4/2009 relevant record about the recovered amount was produced and verified by Audit, hence the para was recommended to be dropped.

DP NO.24 WASTEFUL EXPENDITURE OF RS.2,32,000/- INCURRED ON (2001-02) SERVICE REFORMS COMMISSION WITH NO RESULT.

25. In the meeting of VOR Committee held on 14/4/2009 the Department produced the requisite record which was verified by the Audit hence, the Para was recommended to be dropped.

DP NO.1.5 NON-DEPOSIT OF AUCTION MONEY AMOUNTING TO RS.3.71 (2002-03) MILLION AND INTEREST ACCRUED THEREON.

25. In the meeting of VOR Committee held on 14/4/2009 the Department produced the requisite challan to Audit hence, the para was recommended to be dropped.

DP NO.1.10 LOSS OF RS.2,97,605/- DUE TO NON REALIZATION OF ROOM RENT (2002-03) FROM VISITORS.

26. In the meeting of VOR Committee held on 14/4/2009 the Department produced the requisite challan to Audit hence, the para was recommended to be dropped.

DP NO.1.12 NON-RECOVERY OF RS.57,000/- DUE TO NON-DEDUCTION OF 15% (2002-03) SALES TAX.

27. In the meeting of VOR Committee held on 14/4/2009 the Department produced the requisite challan to Audit hence, the para was recommended to be dropped.

SCHOOLS AND LITERACY DEPARTMENT.

DP NO.27 LOSS OF RS.4,16,088/- TO GOVERNMENT DUE TO NON-RECOVERY (97-98) OF INTEREST ON THE AMOUNT OF RS.14,86,029/- KEPT AWAY FROM PUBLIC ACCOUNTS FOR TWO YEARS.

28. In the meeting of VOR Committee held on 14/4/2009, the Department produced the relevant document/record which was verified by Audit, therefore, para was recommended to be dropped.

DP NO.71 NON/LESS ACCOUNTAL OF STORE ITEMS VALUING RS.1,48,488/- (97-98)

29. In the meeting of VOR Committee held on 29/6/2009, the committee considered the report of enquiry officer and recommended that Rs.35,000/- may be recovered from the responsible after fixing responsibility. The officer who conducted enquiry, was asked to look into the matter and fix responsibility on responsible other than the deceased and recovery be made. Progress be reported to PAC by 20th July 2009.

30. As the Department failed to comply with the recommendation of VOR Committee, the Para was therefore re-referred to PAC in its meeting held on 19-07-2010 for final decision.

DP NO.168 NON PRODUCTION OF AUDITABLE RECORD OF RS.15,95,606/- (97-98)

31. In the meeting of VOR Committee held on 14/4/2009, the relevant record was produced and verified by Audit, hence the para was recommended to be dropped.

DP NO.13 NON-DEPOSIT OF ADMISSION/TUITION FEES OF RS.3,10,800/- (2002-03)

32. In the meeting of VOR Committee held on 14/4/2009, the Department produced the relevant document/record which was verified by Audit, therefore, the para was recommended to be dropped.

**ZAKAT, USHER, SOCIAL WELFARE & WOMEN
DEVELOPMENT DEPARTMENT.**

DP NO.2.2 NON-ACCOUNTAL OF RS.9,87,000/- (2002-03)

33. In the meeting of VOR Committee held on 14/4/2009, the department explained that the audit figures were incorrect because after proper inquiry the exact amount was digged out as Rs.10,55,008/- instead of Rs.9,87,000/- which has been recovered. The Committee after verification of relevant document by Audit, recommended the para to be dropped.

DP NO.2.4 UNAUTHORIZED RETENTION OF PUBLIC MONEY AMOUNTING TO RS.53,305/- IN COMMERCIAL BANK.

34. In the meeting of Verification of Record Committee held on 14/4/2009, the Department produced the relevant document/record which was verified by Audit, hence the Para was recommended to be dropped.

INDUSTRIES DEPARTMENT.

DP NO.1 LOSS OF RS.2,54,102/46 ON ACCOUNT OF THEFT.

35. In the meeting of VOR Committee held on 14/4/2009, recovery statement was verified by Audit and the para was recommended to be dropped.

DP NO.11 LOSS OF RS.7,17,750/- DUE TO NON RECOVERY OF INCOME TAX.
(2001-02)

36. In the meeting of VOR Committee held on 14/4/2009, the Department explained that remaining amount of Rs.1,25,000/- had also been recovered, therefore the total recovery of Rs.7,17,750/- was verified by Audit, hence the Para was recommended to be dropped.

HOME AND TRIBAL AFFAIRS DEPARTMENT.

DP No.112 DOUBTFUL PAYMENT OF ELECTRICITY CHARGES AMOUNTING
(97-98) **TO RS.2,03,152/- .**

37. In the meeting held on 16/4/2009 the record was produced during the course of meeting to Audit, which was verified and the para was recommended to be dropped.

DP No.134 BLOCKADE OF GOVERNMENT MONEY AMOUNTING TO
(97-98) **RS.15,42,623/-DUE TO NON-RECEIPT OF AMMUNITION.**

38. In the meeting held on 20/4/2009 the Department failed to produce the invoice of GST and urged that the Wah Ordinance Factory retained the subject amount claiming that the Government had imposed GST on the factory. The Committee recommended that the Department should be given a chance to re-explain its position before PAC in its next meeting the Chairman also ordered that Wah Ordinance Factory should also be directed to produce GST invoice of the amount in question to the Department.

39. PAC in its meeting held on 19-07-2010 upheld the recommendation of the Verification of Record Committee and the Para was re-referred to main PAC for final decision.

DP No.2 NON ACCOUNTAL OF RS.1,63,097/-
(2001-02)

40. In the meeting held on 16/4/2009 pending for next meeting due to non production of record.

41. The Department produced the same to Audit on 16/06/2009 and sent verification certificate to this Secretariat, hence the para was recommended to be dropped.

**DP No.16 IRREGULAR EXPENDITURE OF RS.3,11,168/- ON ACCOUNT OF
(2001-02) TELEPHONE CHARGES.**

42. In the meeting held on 16/4/2009 pending for next meeting due to non production of record.

43. The Department produced the same to Audit on **16/06/2009** and sent verification certificate to this Secretariat, hence the para was recommended to be dropped.

**DP No.18 LOSS OF RS.1,25,000/- TO PUBLIC REVENUE BY NON-DEDUCTION
(2001-02) OF INCOME TAX FROM CONTRACTORS.**

44. In the meeting held on 29/6/2009 the Department failed to produce the relevant record. Neither it was fully prepared to respond to the queries raised by the Chairman nor was it in a position to explain the case properly. It was therefore, decided that the IGP may be invited to the next meeting. The Department was also directed to furnish complete replies regarding all the relevant DPs by 06/07/2009 positively, so that next meeting of the Committee be convened to finalize the verification of record. Paras stand.

45. The Department produced the same to Audit and verification certificate was provided on 05/08/2009 to this Secretariat, hence the para was recommended to be dropped.

**DP No.20 LOSS OF RS.1,11,152/- DUE TO EXCESS DRAWAL OF POSTS.
(2001-02)**

46. In the meeting held on 29/6/2009 the Department failed to produce the relevant record. Neither it was fully prepared to respond to the queries raised by the Chairman nor it was in a position to explain the case properly. It was therefore, decided that the IGP may be invited to the next meeting. The Department was also directed to furnish complete replies regarding all the relevant DPs by 06/07/2009 positively, so that next meeting of the Committee be convened to finalize the verification of record. Paras stand.

47. In the meeting of Verification of Record Committee held on 26-10-2010, the requisite certificates obtained from the Finance Department and District Accounts Office were produced, verified and the Para was recommended to be dropped.

DP No. 32 NON AVAILABILITY OF DRIVING LICENSES RECEIPT OF RS.1.296 (2001-02) MILLION.

48. In the meeting held on 29/6/2009 the Department failed to produce the relevant record. Neither it was fully prepared to respond to the queries raised by the Chairman nor it was in a position to explain the case properly. It was therefore, decided that the IGP may be invited to the next meeting. The Department was also directed to furnish complete replies regarding all the relevant DPs by 06/07/2009 positively, so that next meeting of the Committee be convened to finalize the verification of record. Paras stand.

49. The Department produced the same to Audit and verification certificate was provided on 05/08/2009 to this Secretariat, hence the para was recommended to be dropped.

DP No.35 NON-AVAILABILITY OF AUDITABLE RECORD OF RS.1,28,548/- ON (2001-02) ACCOUNT OF ELECTRICITY CHARGES.

50. In the meeting held on 18/4/2009 the Department produced the relevant document i.e. reconciliation certificate by RO, original electricity bill to Audit for verification the same was verified therefore, the para was recommended to be dropped.

DP No.36 NON-PRODUCTION OF RECORD RS.67,323/- ON ACCOUNT OF (2001-02) TELEPHONE AND ELECTRICITY CHARGES.

51. In the meeting held on 18/4/2009 the Department failed to produce the relevant record .i.e. original bill, reconciled statement and inquiry report to Audit for verification; therefore, the para remain stand.

52. The Department produced the same to Audit and verification certificate was provided on 16/06/2009 to this Secretariat, hence the para was recommended to be dropped

DP No.2.1 EXCESS PAYMENT OF RS.8.14 MILLION ON PAY AND (2002-03) ALLOWANCES OF EMPLOYEES OVER AND ABOVE THE SANCTIONED STRENGTH.

53. In the meeting held on 20/4/2009 the Department produced the relevant record to audit which was verified and the para was recommended to be dropped.

DP No.2.2 DOUBTFUL EXPENDITURE OF RS.2.09 MILLION ON ACCOUNT OF (2002-03) ELECTRICITY CHARGES.

54. In the meeting held on 20/4/2009 the original bill, reconciled statements were provided to Audit which were duly verified, therefore, the para was recommended to be dropped.

DP No.2.3 UNECONOMICAL EXPENDITURE OF RS.1.10 MILLION ON (2002-03) ACCOUNT OF VEHICLES.

55. In the meeting held on 20/4/2009 the para was settled subject to verification within two days. The Department produced the relevant record which was verified by audit hence the para was recommended to be dropped.

DP No.2.4 UNAUTHORIZED PAYMENT OF RS.9,00,000/- ON ACCOUNT OF (2002-03) ELECTRICITY CHARGES.

56. In the meeting held on 20/4/2009 the para was settled subject to verification within two days.

57. The Department produced the relevant record and Audit was verified on 16/06/2009, hence the para was recommended to be dropped.

DP No.2.8 EXCESS EXPENDITURE OF RS.1,10,000/- ON RESIDENTIAL (2002-03) TELEPHONE AND NON RECONCILIATION OF RS.1.29 MILLION ON OFFICE TELEPHONE CHARGES.

58. In the meeting held on 18/4/2009 the Department could not produced the relevant record to Audit for verification therefore, the para remained stands

59. The Department produced the relevant record and Audit verified on 16/06/2009, hence the para was recommended to be dropped.

DP No.3.2 NON RECOVERY OF RS.4.28 MILLION ON ACCOUNT OF GENERAL (2002-03) SALES AND INCOME TAX.

60. In the meeting held on 20/4/2009 the Department produced the relevant documents to audit for verification which were verified and the para was recommended to be dropped.

DP No.4.1 NON PRODUCTION OF RECORD FOR RS.8.94 MILLION ON (2002-03) ACCOUNT OF RECEIPTS.

61. In the meeting held on 20/4/2009 the Department produced the relevant documents to audit which were verified and the para was therefore recommended to be dropped.

DP No.4.2 NON PRODUCTION OF RECORD.
(2002-03)

62. In the meeting held on 20/4/2009 the Committee recommended to carry out special audit within a week and apprised to this secretariat, report received that all the record has been verified by the audit hence the para was recommended to be dropped.

DP No.47 NON DEPOSIT OF RS.2.268 MILLION INTO GOVERNMENT TREASURY.
(2003-04)

63. In the meeting held on 20/4/2009 the para was recommended to be dropped on the basis of production of Bank statement and FIR by the Department which was verified by audit.

DP No.50 NON RECONCILIATION OF DRIVING LICENSE RECEIPTS OF RS.1.195 MILLION AND VEHICLES FEE RS.3,68,980/-.
(2003-04)

64. In the meeting held on 18/4/2009 the Department provided the relevant documents i.e. recommendation statement/challan to Audit and verified, therefore, the para was recommended to be dropped.

DP No.51 IRREGULAR EXPENDITURE OF RS.5,01,971/- ON ACCOUNT OF PAY & ALLOWANCES.
(2003-04)

65. In the meeting held on 20/4/2009 the Department produced the condonation sanction of Finance Department to audit which was verified and the para was recommended to be dropped.

DP No.52 OVERPAYMENT OF RS.4,71,607/- BY ALLOWING HIGHER PAY.
(2003-04)

66. In the meeting held on 20/4/2009 the para was recommended to be settled subject to verification of record by Audit within two days.

67. On 22/04/2009 the Department produced the record and audit verified it hence the para was recommended to be dropped.

DP No.54 NON RECOVERY OF INCOME TAX AMOUNTING TO RS.2,05,835/-
(2003-04)

68. In the meeting held on 20/4/2009 the Department produced the relevant record to audit which was duly verified and the para was recommended to be dropped.

DP No.55 NON-PRODUCTION OF AUDITABLE RECORD FOR RS.19.67 MILLION.
(2003-04)

69. In the meeting held on 29/6/2009 the Department failed to produce the relevant record. Neither it was fully prepared to respond to the queries raised by the

Chairman nor it was in a position to explain the case properly. It was therefore, decided that the IGP may be invited to the next meeting. The Department was also directed to furnish complete replies regarding all the relevant DPs by 06/07/2009 positively.

70. The above Draft Para was placed before PAC in its meeting held on 19-07-2010 where in it was recommended that the same may be re-referred to main PAC for final decision.

DP No.9.3 IRREGULAR PAYMENT OF RS.21.825 MILLION.
(2004-05)

71. In the meeting held on 20/4/2009 the Department produced the relevant record to audit for verification which was verified and the para was recommended to be dropped.

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

72. In the meeting held on 29/6/2009 the Department failed to produce the relevant record. Neither it was fully prepared to respond to the queries raised by the Chairman nor it was in a position to explain the case properly. It was therefore, decided that the IGP may be invited to the next meeting. The Department was also directed to furnish complete replies regarding all the relevant DPs by 06/07/2009 positively.

73. The PAC in its meeting held on 19-07-2010 shown grave concerned, As the department failed to furnish replies to the verification of record committee therefore, the Para was, re-referred to PAC for final decision.

DP No.9.14 NON-RECOVERY OF GENERAL SALES TAX AMOUNTING TO RS.2.765/- MILLION.

74. In the meeting held on 29/6/2009 the Department failed to produce the relevant record. Neither it was fully prepared to respond to the queries raised by the Chairman nor it was in a position to explain the case properly. It was therefore, decided that the IGP may be invited to the next meeting. The Department was also directed to furnish complete replies regarding all the relevant DPs by 06/07/2009 positively, so that next meeting of the Committee be convened to finalize the verification of record. Paras stand.

75. The PAC in its meeting held on 19-07-2010 shown grave concerned, As the department failed to furnish replies to the verification of record committee therefore, the Para was, re-referred to PAC for final decision.

DP No.9.22 MISAPPROPRIATION OF ARREARS OF PAY AND ALLOWANCES (2004-05) RS.724.416 MILLION.

76. In the meeting held on 20/4/2009 the para settled after verification of record with the observation that the Department should have made appeal against the decision of the tribunal in the appellent court.

LOCAL GOVERNMENT DEPARTMENT.

DP No.7 BLOCKED OF FUNDS AMOUNTING TO RS.2.4 MILLION DUE TO (97-98) NEGLIGENCE.

77. In the meeting held on 6/7/2009 record produced which was duly verified by Audit, hence the para was recommended to be dropped.

DP No.8 BLOCKED OF FUNDS AMOUNTING TO RS.23,08,482/- DUE TO (97-98) NEGLIGENCE.

78. In the meeting held on 6/7/2009 record produced which was duly verified by Audit, hence the para was recommended to be dropped.

DP No.10 ILLEGAL TRANSFER OF RS.4.846 MILLION TO SECRETARY AND (97-98) D.G'S OFFICE.

79. In the meeting held on 27/4/2009 Record produced and verified by Audit, hence the para was recommended to be dropped.

DP No.11 OVERPAYMENT OF RS.95,492/- TO CONTRACTOR. (97-98)

80. In the meeting held on 27/4/2009 the department failed to produce the relevant record, due to inability of the department to produce original documents. The committee re-referred the draft para to PAC for final decision.

DP No.20 BLOCKADE OF RS.7.589 MILLION DUE TO NEGLIGENCE. (97-98)

81. In the meeting held on 6/7/2009 Record produced which was duly verified by Audit, hence the para was recommended to be dropped.

DP No.22 IRREGULAR EXPENDITURE OF RS.4.6 MILLION.
(97-98)

82. In the meeting held on 6/7/2009 record produced which was duly verified by Audit, hence the Para was recommended to be dropped.

DP No.36 LOSS OF RS.90,000/-DUE TO NEGLIGENCE.
(97-98)

83. In the meeting held on 6/7/2009 record of Rs.50,000/- was produced to the Committee and audit and remaining amount of Rs.40,000/- was still outstanding, Para stands till full recovery.

84. In the meeting of Verification of Record Committee held on 26-10-2010, the Department explained that the persons, against whom recoveries were due, were out of the country and several notices had been issued but no response was received from their end. The Chairman, therefore, directed that action leading to recovery of the balance amount of Rs. 40,000/- may be initiated against the officers/officials after fixing responsibility who made advance payment.

DP No.37 BLOCKADE OF RS.0.83 MILLION DUE TO NEGLIGENCE.
(97-98)

85. In the meeting held on 27/4/2009 record was produced and verified, hence the para was recommended to be dropped.

DP No.56 BLOCKADE OF RS.0.5 MILLION DUE TO NEGLIGENCE.
(97-98)

86. In the meeting held on 27/4/2009 detail accounts were produced by the Department which was verified by Audit, hence the para was recommended to be dropped.

DP No.12 NON-CREDITING OF RS.12,43,863/- IN THE GOVERNMENT
(2001-02) **REVENUE.**

87. In the meeting held on 6/7/2009 record produced which was duly verified by Audit, hence the Para was recommended to be dropped.

DP No.20 UN-AUTHORIZED PAYMENT OF RS.6.281 MILLION ON ACCOUNT
(2001-02) **OFADVANCE.**

88. In the meeting held on 6/7/2009 record produced which was duly verified by Audit, hence the Para was recommended to be dropped.

HIGHER EDUCATION DEPARTMENT.

DP No.6 (2001-02) ESTABLISHED LOSS OF RS.2,47,508/- AS A RESULT OF ADDITION/ALTERATION IN THE ACCOUNTS BOOKS.

89. In the meeting held on 27/4/2009 Challan of recovered amount produced by Department and was verified by audit, hence the para was recommended to be dropped.

DP No.32 (2001-02) UNJUSTIFIED PAYMENT OF RS.5.720 MILLION.

90. In the meeting held on 27/4/2009 Department produced the record which was duly verified by audit, hence the para was recommended to be dropped.

DP No.2 (2002-03) NON RECOVERY OF OUTSTANDING AMOUNT OF RS.19.089 (MILLION).

91. In the meeting held on 29/6/2009 the Chairman of verification Committee was astonished that only Rs.50,000/- had been recovered after the direction of PAC hence, the Verification Committee felt that the Department is not taking it seriously to recover the full amount. The Para was therefore re-referred to PAC with the recommendation that the institution should be held responsible for its negligence. The Verification Committee also advised that the Department should take pro-active approach and change its attitude before the next meetings of PAC.

DP No.3 (2002-03) LONG OUTSTANDING ADVANCES OF RS.9.77 MILLION.

92. In the meeting held on 27/4/2009 Department produced the record which was duly verified by audit, hence the para was recommended to be dropped.

DP No.4 (2002-03) NON DEDUCTION OF SALES TAX AND COLLECTION CHARGES AMOUNTING TO RS.1,44,920/-.

93. In the meeting held on 27/4/2009, it was recommended that the matter should be taken at Inter Provincial Coordination Committee, the chair also recommended that the practice of charging deduction at source should continue until the matter is resolved through Inter Provincial Coordination Committee.

94. In the meeting of Verification of Record Committee held on 26-10-2010 record was produced wherein it was found that the amount in question had been deducted, hence the Para was recommended to be dropped.

DP No.6 (2002-03) NON RECONCILIATION OF RECORD OF EXAMINATION FEE AMOUNTING TO RS.1,90,53137/-.

95. In the meeting held on 27/4/2009 record was produced by Department and duly verified by audit, hence the para was recommended to be dropped.

DP No.11 (2002-03) LESS ACCOUNTAL OF PROFIT AMOUNTING TO RS.2.31 MILLION IN UNIVERSITY ACCOUNT.

96. In the meeting held on 27/4/2009 record produced by Department and was verified by audit, hence the para was recommended to be dropped.

DP No.12 (2002-03) NON PRODUCTION OF RECORD OF EXPENDITURE OF RS.8,00,000/-.

97. In the meeting held on 27/4/2009 record was produced by Department and duly verified by audit, hence the para was recommended to be dropped.

DP No.15 (2002-03) NON DEPOSIT OF RS.1,63,700/- IN TO UNIVERSITY FUND COLLECTED AS RENT OF SHOPS.

98. In the meeting held on 27/4/2009 record was produced by Department and duly verified by audit, hence the para was recommended to be dropped.

HEALTH DEPARTMENT.

DP No.4 (1997-98) MIS-APPROPRIATION OF RS.68,079/- ON ACCOUNT OF PURCHASE OF MEDICINES/ LAB CHEMICALS.

99. In the meeting held on 15/5/2009 record pertaining to an amount of Rs.67,014/- was produced by the Department which was duly verified by Audit. While record for the remaining amount i.e. Rs.1, 063/- could not be produced.

100. The committee taking a lenient view recommended the para to be dropped with strict direction to avoid such practice in future.

DP No.17 (1997-98) EMBEZZLEMENT OF RS.21,518/- DUE TO DOUBLE PAYMENT OF MEDICINES.

101. In the meeting held on 15/5/2009 the Department produced the relevant challan for verification which was verified by audit, hence the para was recommended to be dropped.

DP No.21 (97-98) UNAUTHENTIC EXPENDITURE OF RS.15,31,000/- ON ACCOUNT OF TREATMENT OF GOVERNMENT SERVANTS ABROAD.

102. In the meeting held on 29/6/2009 the Department produced record which revealed that the treatment was taken in Pakistan despite the fact that Rs.2,80,000/- was sanctioned for treatment abroad.

103. The Committee took serious note of the fact that facility of treatment abroad is extended only when such facilities were not available within the country. As the amount was shown utilized within the country without any justification, the Committee therefore recommended to initiate the process of recovery of full amount from the defaulter within a week under intimation to the PAC Cell. Para stands. In the meeting of PAC held on 19/07/2010, the Para was recommended to be dropped.

DP No.47 (1997-98) NON DEPOSIT OF AMBULANCE CHARGES OF RS.3,08,583/-.

104. In the meeting held on 15/5/2009 the Committee directed the Department that write-off sanction may be obtained from the Finance Department within two weeks. Para stands. Progress be reported to PAC Cell.

105. In the meeting of Verification of Record Committee held on 26/10/2010, it was recommended that write off sanction may be obtained and produced to PAC Cell within (15) fifteen days, otherwise the amount involved may be recovered from the

person(s) responsible. Moreover, the Department was also directed that responsibility be fixed against the officers/officials, who failed to implement the earlier decision of Verification of Record Committee and progress be intimated to PAC Cell within (15) fifteen days.

DP No.50 BLOCKADE OF GOVERNMENT MONEY DUE TO UNAUTHORIZED RETENTION OF RS.12,07,370/-.

106. In the meeting held on 15/5/2009 the record produced by the Department which was verified by Audit, hence the para was recommended to be dropped.

DP No.57 MISAPPROPRIATION OF RS.1,95,429/- ON ACCOUNT OF REPAIR OF MACHINERY AND EQUIPMENTS.

107. In the meeting held on 15/5/2009 record produced by the Department which was verified by Audit, hence the para was recommended to be dropped.

DP No.69 BLOCKADE OF GOVERNMENT MONEY OF RS.1,47,12,055/-.

108. In the meeting held on 15/5/2009 attested photo copies of record were produced and duly verified by Audit, hence the para was recommended to be dropped.

DP No.86 IRREGULAR DRAWAL OF NPA AMOUNTING TO RS.60,000/-.

109. In the meeting held on 29/6/2009 the Committee directed the Department to initiate the proceedings of recovery from the salary of the concerned officer within a week and deduction from the salary may be started from the month of July. In case of non compliance disciplinary action would be recommended against the officer sitting at the helm of affairs.

110. In the meeting of Verification of Record Committee held on 26/10/2010, the Department contradicted its previous stance that the total amount involved in this Para was Rs.43,000/- instead of Rs.60,000/- due to the fact that two doctors were posted for only a month but the Audit calculated NPA for the whole year, hence a difference of Rs.11,000/- occurred and a difference of Rs.6,000/- occurred due to double entry of a doctor in the list. It further told that Rs.31,000/- have been recovered so far while Rs.12,000/- are still outstanding against two doctors. The same contention was duly verified by Audit during the meeting. The Chairman agreed with contention of the Department and on the personal assurance of the Deputy Secretary, Health directed that the same may be recovered in lump sum from the salary of responsible doctors within

(15) fifteen days under intimation to PAC Cell. Para stands till complete recovery. Moreover, the Department was also directed that responsibility be fixed against the officers/officials, who failed to implement the earlier decision of Verification of Record Committee and progress be intimated to PAC Cell within (15) fifteen days.

DP No.105 **RECOVERABLE ELECTRIC CHARGES OF RS.1,62,732/- FROM (97-98) CONSTRUCTION CONTRACTOR.**

111. In the meeting held on 15/5/2009 the Department produced the letter from WAPDA, hence the para was recommended to be dropped.

DP No.110 **EMBEZZLEMENT OF RS.2,60,216/-.**
(97-98)

112. In the meeting held on 15/5/2009 the Department failed to produce the relevant record of recovery; moreover the stern disciplinary action coupled with criminal action against the defaulter was also not initiated as recommended by PAC. Hence the committee recommended that the Department should explain within two weeks as to why the directives of PAC were not implemented and recommended that the same may be placed before PAC for further action/orders.

DP No.114 **IRREGULAR DRAWL OF RS.21,65,639/- IN ANTICIPATION OF (97-98) ACTUAL RECEIPT OF STORE.**

113. In the meeting held on 29/6/2009 the Department produced the subsidiary Cash Book which was verified by Audit, however, regularization of the Finance Department was not produced. Para stands for regularization within a week from the Finance Department as assured by the Deputy Secretary during the meeting.

114. In the meeting of Verification of Record Committee held on 26/10/2010, the Department produced the requisite ex-post facto sanction, hence the para was recommended to be dropped.

DP No.117 **NON- DEDUCTION OF 5 % HOUSE MAINTENANCE CHARGES (97-98) WORTH RS.28,944/-.**

115. In the meeting held on 29/6/2009 the Department produced record of Rs.15,374/- which was verified while the record pertaining to the balance amount of Rs.13,490/- was not produced indicating that recovery of total amount had not been made. Para stands for recovery of the balance amount within a week time as assured by the Deputy Secretary during the meeting.

116. In the meeting of Verification of Record Committee held on 26/10/2010, the Department explained that only Rs.2,716/- have been recovered out of Rs.13,490/-. The chairman directed the Department that the remaining amount may recovered within (15) fifteen days in lump sum from the concerned as assured by the Deputy Secretary during the meeting.

DP No.139 (97-98) UNAUTHORIZED CREDIT AND UTILIZATION OF RECEIPT WORTH RS.1,34,016/-NON-RECOVERY OF RS.31,902/- GRANTED AS ARREAR OF INCREMENT DURING EXTRAORDINARY LEAVE.

117. In the meeting held on 29/6/2009 the Committee directed the Department to verify the record from the Finance Department within one week and report progress to PAC, Cell as assured by the Deputy Secretary during the meeting.

118. In the meeting of Verification of Record Committee held on 26/10/2010, the Department produced write off sanction with regard to first portion of the para, hence was recommended to be dropped. Regarding second portion of the Para wherein non recovery of Rs.31,902/- was involved, the Chairman on the assurance of the Deputy Secretary, Health directed that the same may be recovered in lump sum from the salary of the concerned and report progress to PAC Cell within two weeks positively.

DP No.143 (97-98) OVERPAYMENT OF RS.1.044 MILLION DUE TO ALLOWING PURCHASE AT HIGHER RATES.

119. In the meeting held on 15/5/2009 the Department produced the relevant record and was verified by Audit, hence the para was recommended to be dropped.

DP No.145 (97-98) NON-RECOVERY OF RS.31,902/- ON ACCOUNT OF ARREAR OF INCREMENT ALLOWED DURING EXTRA ORDINARY LEAVE.

120. In the meeting held on 15/5/2009 record was produced by the Department which was verified, hence the para was recommended to be dropped.

DP No.178 (97-98) NON DEDUCTION OF 5% MAINTENANCE CHARGES AMOUNTING TO RS.2,73,905/-.

121. In the meeting held on 29/6/2009 the recovered amount was verified by Audit and balance amount of Rs.12,790/- was not recovered. The Committee, therefore, recommended that the balance amount may be recovered from the Salary/pension of the responsible persons. Para stands till complete recovery.

122. In the meeting of Verification of Record Committee held on 26/10/2010, the Department explained that Rs.9,633/- have been recovered out of the balance amount of Rs.12,790/- which was verified by Audit. Hence, taking lenient view the Para was recommended to be dropped.

DP No.197 **BLOCKADE OF GOVERNMENT MONEY RS.1,43,04,186/-.**
(97-98)

123. In the meeting held on 15/5/2009 relevant record was produced which was examined and verified by the Audit, hence the para was recommended to be dropped.

DP No.198 **(I) IRREGULAR DRAWL OF RS.1,33,81,762/- IN ANTICIPATION OF ACTUAL RECEIPTS TO STORE.**

(II) UNAUTHORIZED DEPOSIT OF GOVERNMENT MONEY IN PRIVATE COMMERCIAL BANK.

124. In the meeting held on 29/6/2009 the Committee directed the Department to pursue with Finance Department the case for regularization of opening account in commercial banks within two weeks and report progress to PAC Cell. Para stands.

125. In the meeting of Verification of Record Committee held 26/10/2010, the Department produced before the Committee the ex-post facto sanction obtained from the Finance Department, hence the Para was recommended to be dropped.

DP No.240 **OVERPAYMENT OF RS.85,500/- TO DOCTORS DUE TO UNAUTHORIZED DRAWL OF RURAL COMPENSATORY ALLOWANCE.**
(97-98)

226. In the meeting held on 15/5/2009 the Department produced the relevant record to Audit for verification which was verified, hence the para was recommended to be dropped.

DP No.243 **MIS-APPROPRIATION OF MEDICINES COSTING RS.76,050/-.**
(97-98)

127. In the meeting held on 15/5/2009 the Department produced the relevant record to Audit for verification which was verified, hence the para was recommended to be dropped.

DP No.245 **SUSPECTED MIS-APPROPRIATION EXPENDITURE OF RS.3,32,355/- ON REPAIR OF MACHINES AND X-RAY PLANTS.**
(97-98)

128. In the meeting held on 15/5/2009 the Department produced the relevant record to Audit for verification which was verified, hence the para was recommended to be dropped.

DP No.3 NON-DEPOSIT OF RS.34,47,805/- IN GOVERNMENT TREASURY
(2001-02)

129. In the meeting held on 15/5/2009 the Department produced the relevant challan for verification which was verified, hence the para was recommended to be dropped.

DP No.11 NON DEPOSIT OF RS.3,02,964/- IN TO GOVERNMENT TREASURY.
(2001-02)

130. In the meeting held on 15/5/2009 the Department produced the relevant record to Audit for verification which was verified, hence the para was recommended to be dropped.

DP No.13 ILLEGAL RETENTION OF GOVERNMENT RECEIPT AMOUNTING
(2001-02) TO RS.2,17,521/- AND DEPOSITED IN COMMERCIAL BANK.

131. In the meeting held on 15/5/2009 the Department produced the relevant record to Audit for verification which was verified, hence the para was recommended to be dropped.

DP No.16 UNAUTHORIZED EXPENDITURE OF RS.5,35,354/- ON ACCOUNT OF
(2001-02) ELECTRICITY CHARGES.

132. In the meeting held on 15/5/2009 the Department produced the relevant record to Audit for verification which was verified, hence the para was recommended to be dropped.

DP No.19 LOSS OF RS.4,71,522/- DUE TO NON DEDUCTION OF SALES TAX.
(2001-02)

133. In the meeting held on 15/5/2009 in the meeting held on 29/6/2009 the Department was directed to produce complete record to Audit for verification on 15th July 2009 and progress be reported to PAC Cell.

134. During the meeting held on 26/10/2010, the Verification of Record Committee was shocked to know that action required to be taken in two weeks has not been accomplished even in (14) fourteen months. The Chairman, therefore, recommended that amount in question may be recovered from the person responsible and disciplinary action should be taken against officers/officials who failed to implement the decision of Verification of Record Committee. Para stands.

DP No.21 NON DEDUCTION OF GENERAL SALES TAX OF RS.60,024/-.
(2001-02)

135. In the meeting held on 15/5/2009 the Department produced the relevant record to Audit for verification which was verified, hence the para was recommended to be dropped.

DP No.23 NON PRODUCTION OF ACTUAL PAYEE RECEIPTS WORTH RS.52,493/-.
(2001-02)

136. In the meeting held on 15/5/2009 the Department produced the relevant challan for verification which was verified by Audit, hence the para was recommended to be dropped.

DP No.24 NON PRODUCTION OF RECORD WORTH RS.12,39,956/-.
(2001-02)

137. In the meeting held on 15/5/2009 the Department produced the relevant record to Audit for verification which was verified, hence the para was recommended to be dropped.

DP No.25 NON PRODUCTION OF AUDITABLE OF RECORD WORTH RS.26,24,604/-.
(2001-02)

138. In the meeting held on 15/5/2009 the Department produced the relevant record to Audit for verification which was verified, hence the para was recommended to be dropped.

DP No.1.2 FRAUDULENT WITHDRAWAL/LOSS OF RS.1.690(M) ON ACCOUNT OF SUPPLY OF GAUZE CLOTH.
(2002-03)

139. In the meeting held on 15/5/2009 the Department produced the relevant record to Audit for verification which was verified, hence the para was recommended to be dropped

DP No.1.3 NON DEPOSIT OF RS.2,50,000/-IN TO GOVERNMENT TREASURY.
(2002-03)

140. In the meeting held on 15/5/2009 the Department produced the relevant record to Audit for verification which was verified, hence the para was recommended to be dropped.

DP No.1.4 **EMBEZZLEMENT OF RS.46,382/- BY MANIPULATING OFFICE**
(2002-03) **COPIES OF THE RECEIPT BOOKS.**

141. In the meeting held on 15/5/2009 the Department produced the relevant record to Audit for verification which was verified, hence the para was recommended to be dropped.

DP No.2.1 **VARIATION/DIFFERENCE OF RS.16.15 (M) BETWEEN THE CASH**
(2002-03) **AND BANK STATEMENT.**

142. In the meeting held on 15/5/2009 the Department produced the relevant record to Audit for verification which was verified, hence the para was recommended to be dropped.

DP No.3.1 **NON ACCOUNTAL OF STORE WORTH RS.5,22,838/-.**
(2002-03)

143. In the meeting held on 15/5/2009 the Department produced the relevant record to Audit for verification which was verified, hence the para was recommended to be dropped.

DP No.5.1 **NON-DEPOSIT OF GOVERNMENT SHARE AMOUNTING TO RS.2.41**
(2002-03) **MILLION.**

144. In the meeting held on 15/5/2009 the Committee directed the Department to provide notification within two weeks, in case no specific notification was issued at that time the Department should clarify in writing the Laboratory shares of the Government of NWFP, if the share was 10 % then the para is recommended to be dropped otherwise the amount may be recovered. Progress be reported to PAC Cell.

145. The Department produced the relevant record on 16/06/2009 and Audit was verified, hence the para was recommended to be dropped.

DP No.5.2 **NON-DEDUCTION OF INCOME TAX AMOUNTING TO RS.7,14,711/-.**
(2002-03)

146. In the meeting held on 15/5/2009 record produced by the Department and was verified by audit, hence the para was recommended to be dropped.

DP No.5.3 **NON-DEPOSIT OF INCOME TAX AMOUNTING TO RS.3,19,990/-.**
(2002-03)

147. In the meeting held on 15/5/2009 original challan was produced by the Department which was verified, hence the para was recommended to be dropped.

DPNo.37 NON-SUPPLY OF MEDICINES/ EQUIPMENTS WORTH RS.6,74,622/-
(2003-04)

148. In the meeting held on 15/5/2009 record was produced by the Department which was verified, hence the para was recommended to be dropped.

DP No.40 LESS-DEPOSIT OF OPD RECEIPTS AMOUNTING TO RS 3,83,667/-
(2003-04)

149. In the meeting held on 15/5/2009 record was produced by the Department and the Audit has verified, hence the para was recommended to be dropped.

DP No.8.1 NON PRODUCTION OF RECORD OF ADVANCE PAYMENTS
(2004-05) AMOUNTING TO RS.26.57 MILLION.

150. In the meeting held on 15/5/2009 the Department produced record pertaining to the payment of Rs.4.47 (M) to the Project Manager for HIV/HCV screening kits which was verified. However the Department failed to produce detail account in support of drawl of Rs.22.10 (M). Hence the para was re referred to PAC. With the recommendation that in all Government Departments working under the preview of the NWFP Government, proper financial record should be maintained for all transactions irrespective of its nature and the source of funding including foreign aided projects. So that the same or copy thereof could be produced at any time. Para stands.

DP No.8.3 NON DEPOSIT OF HOSPITAL RECEIPTS AMOUNTING TO RS.7.709
(2004-05) MILLION.

151. In the meeting held on 15/5/2009 record produced by the Department which was duly verified by Audit, hence the para was recommended to be dropped.

DP No.8.16 NON ACCOUNTAL OF X-RAY FILMS RS.1.240 MILLION.
(2004-05)

152. In the meeting held on 15/5/2009 the record regarding entry in stock register was shown by the Department which was verified by audit, hence the para was recommended to be dropped.

DP No.8.17 NON ACCOUNTAL OF MEDICINES AMOUNTING TO RS.8,72,407/-
(2004-05)

153. In the meeting held on 15/5/2009 record produced by the Department which was duly verified by audit, hence the para was recommended to be dropped.

DP No.8.25 NON ACCOUNTAL OF MEDICINES EQUIPMENTS AMOUNTING TO (2004-05) RS.4,74,886/-.

154. In the meeting held on 15/5/2009 stock register produced by the Department to audit and the audit checked/verified it, hence the para was recommended to be dropped.

DP No.8.34 LOSS DUE TO NON SUPPLY OF CHEMICALS AMOUNTING TO (2004-05) RS.2,18,980/-

155. In the meeting held on 15/5/2009 the Department produced record which was scrutinized and was found fake which indicated that the Department was trying to mislead the Committee, hence the Committee recommended that not only recovery should be made but stern disciplinary action should be taken against those involved. Para stands.

156. In the meeting of Verification of Record Committee held on 26/10/2010, the Department explained that both responsible persons are retired from service. On the personal assurance of the Deputy Secretary, Health the Chairman directed that amount involved in Para should be recovered from the pension of the responsible person and all documentary procedure should be accomplished within (15) fifteen days.

ENVIRONMENT DEPARTMENT.

DP No.17 (97-98) LOSS OF RS.3.513 MILLION TO GOVERNMENT AND CONNECTIONISTS DUE TO DELAY IN LIFTING OF TIMBER FROM FOREST.

157. In the meeting held on 6/7/2009 the Committee recommended that record pertaining to 40% Government share and 60% of public share should be produce to audit for verification.

158. In the meeting of Verification of Record Committee held on 26/10/2010, the Department produced the relevant record before the Committee which was verified by Audit, the Para was therefore recommended to be dropped.

DP No.19 (97-98) SUSPECTED LOSS OF RS.8.564 MILLION DUE TO DAMAGE OF TIMBER OF 28548 cft.

159. In the meeting held on 6/7/2009 the Committee recommended that record pertaining to 40% Government share and 60% of public share should be produce to audit for verification and report progress to PAC

160. In the meeting of Verification of Record Committee held on 26/10/2010, the Department produced the relevant record before the Committee which was verified by Audit, the Para was therefore recommended to be dropped.

DP No.133 NON PROVISION OF LOAN WORTH RS.29.469 MILLION IN THE BUDGET BOOK.

161. In the meeting held on 19/5/2009 the Committee recommended that record pertaining to 40% Government share and 60% of public share should be produce to audit for verification and report progress to PAC.

162. The Department produced the relevant documents to audit for verification which were duly verified, therefore, the para was recommended to be dropped.

DP No.15 (2001-02) LOSS OF RS.0.173 MILLION DUE TO LESS REALIZATION OF VALUE OF FOREST PRODUCED.

163. In the meeting held on 6/7/2009 the Committee recommended that the Department should take waive off sanction from Finance Department within one week under intimation to PAC Cell.

164. In the meeting of Verification of Record Committee held on 26/10/2010, the Department produced the required waive off sanction before the Committee which was verified by Audit, the Para was therefore recommended to be dropped.

DP No. 16 LOSS OF RS. 10.667 MILLION DUE TO NON RECONCILIATION. (2001-2002)

165. In the meeting held on 19/5/2009 the Department explained that the requisite record pertaining to the para was in bulk and could not be shifted to this Secretariat, therefore, requested that verification of record may be carried out in their office. The Committee accepted the request of the Department and recommended that PAC Cell of the Assembly Secretariat and Audit department should carry out the verification of the relevant record in their office in first week of June and report to the Committee positively.

166. In the meeting of Verification of Record Committee held on 26/10/2010, the Department produced the reconciliation certificate before the Committee which was verified by Audit, the Para was therefore recommended to be dropped.

DP No.23 LOSS OF RS.0.561 (M) TO GOVT: DUE TO SHORTAGE OF TIMBER IN LOTO.321/01.

167. In the meeting held on 6/7/2009 the Committee recommended that the Department should produce complete record to audit for verification within 15 days and intimate progress to PAC Cell.

168. In the meeting of Verification of Record Committee held on 26/10/2010, the Department produced the required waive off sanction before the Committee which was verified by Audit, the Para was therefore recommended to be dropped.

DP No.1 LOSS OF RS.67.91 MILLION TO PUBLIC EXCHEQUER ON ACCOUNT OF FINES AND LIABILITIES OUTSTANDING AGAINST FOREST COOPERATIVE SOCIETIES.

169. In the meeting held on 19/5/2009 as per recommendation of verification Committee in the meeting held on 18/05/2009. The Department provided the relevant document to Audit on 25/15/2009 which was duly verified, hence the para was recommended to be dropped.

DP No.2 (2002-03) LOSS OF RS.43.76 MILLION TO THE PUBLIC EXCHEQUER DUE TO WRITE OFF 426795 CFT TIMBER.

170. In the meeting held on 19/5/2009 the Committee recommended that the Department should produce the relevant record to Audit till 25/05/2009 in case of failure the para may be re-referred to PAC for further consideration, the Department produced the record for verification to Audit on 25/05/2009 and was verified by audit, hence the para was recommended to be dropped.

DP No.19 (2003-04) NON-RECOVERY OF RS.11.439 MILLION ON ACCOUNT OF ROYALTY AND INTEREST FROM FOREST DEVELOPMENT CORPORATION (DFC).

171. In the meeting held on 19/5/2009 the Officers of PAC Cell and Audit visited the office of Manager Forest Operation Abbottabad on the recommendation of Chairman Verification of Record Committee to verify the record of D.P No. 19 (2003-04) pertaining to Environment Department. The record of all 18 lots was available in the office of Manager Forest Operation (FDC) Abbottabad and was verified by Audit and the Audit observed that the record of all lots is clear and was verified, hence the para was recommended to be dropped.

DP No.21 (2003-04) Non RECOVERY OF GOVERNMENT DUES OF RS.8.183 MILLION.

1. DFO (SWAT)
2. DFO (ALPURI)
3. DFO (KALAM)

172. In the meeting held on 19/5/2009 the Department produced the relevant documents which were verified by audit hence the para was recommended to be dropped.

PLANNING AND DEVELOPMENT DEPARTMENT

DP No.13 LOSS OF GOVERNMENT MONEY DUE TO NON-ACCOUNTAL OF (2001-02) PLAIN PAPER COPIER WORTH RS.0.297 (M).

173. In the meeting held on 19/5/2009 the Department produced the record to Audit in its meeting and was verified. The minutes/certificate was produced and approved, hence the para was recommended to be dropped.

DP No.15 NON-ACCOUNTAL OF MACHINERY AND EQUIPMENT WORTH (2001-02) RS.70,205/-.

174. In the meeting held on 19/5/2009 the Department produced the record to Audit in its meeting and was verified. The minutes/certificate was produced and approved, hence the para was recommended to be dropped.

DP No.22 WASTEFUL AND UN-ACCOUNTED EXPENDITURE OF RS.2.32 (M). (2001-02)

175. In the meeting held on 19/5/2009 the Department produced the record to Audit in its meeting and was verified .The minutes/certificate was produced and approved, hence the para was recommended to be dropped

DP No.31 NON PRODUCTION OF AUCTION FILE IN SUPPORT OF RS.44,000/- (2001-02)

176. In the meeting held on 06/7/2009 the Committee recommended that challan should be verified from treasury within a week and report progress to PAC Cell.

177. In the meeting of Verification of Record Committee held on 26/10/2010, the Department explained that the record was not traceable, which was not accepted and on the personal assurance of the Deputy Secretary concerned the Department was directed to conduct an enquiry and initiate disciplinary action against the concerned regarding missing of record with in a week and intimate progress to PAC Cell. In case of failure, action will be taken against the Deputy Secretary concerned.

DP No.64 NON-REFUND OF RS.21.592 MILLION TO GOVERNMENT ACCOUNT. (2003-04)

178. In the meeting held on 6/7/2009 the Committee recommended that the record of expenditure should be provided to Audit within two weeks and progress be reported to PAC Cell.

179. In the meeting of Verification of Record Committee held on 26/10/2010, the Department could not produce complete record of expenditure and only bank statement was produced which did not solve the purpose. The contention of the Department was not accepted and on the personal assurance of the Deputy Secretary the Department was directed to produce complete record with in ten days and intimate the same to PAC Cell. In case of failure the Department was directed to initiate disciplinary action against the concerned staff.

DP No.65 (2003-04) UN-AUTHORIZED TRANSFER OF PROJECT FUNDS WORTH RS.11.30 MILLION.

180. In the meeting held on 6/7/2009 the Department produced the record to Audit in its meeting and was verified. Hence the para was recommended to be dropped.

SPORTS CULTURE & TOURISM DEPARTMENT.

DP No.1.2 UNAUTHENTIC EXPENDITURE OF RS.1.925 MILLION ON (2002-03) SHANDOOR POLO FESTIVAL.

181. In the meeting held on 19/5/2009 the Department failed to produce the relevant documents, therefore, the Committee recommended that special verification should be carried out in the office of DCO Chitral in first week of June.

182. In the meeting of Verification of Record Committee held on 26/10/2010, the Department produced the record before the Committee, which was verified by Audit, the Para was therefore recommended to be dropped.

DP No.1.3 UN-AUTHORIZED RETENTION OF RECEIPT AMOUNTING TO (2002-03) RS.1.567 MILLION IN ILLEGAL UTILIZATION OF RS. 0.707 MILLION THERE FROM.

183. In the meeting held on 19/5/2009 the relevant record was produced which was duly verified by Audit hence, the para was recommended to be dropped.

DP No.1.4 IRREGULAR EXPENDITURE OF RS. 9,90,400/- ON ACCOUNT OF (2002-03) ARRANGING VARIOUS TOURNAMENTS.

184. In the meeting held on 19/5/2009 the Department produced the requisite record to audit for verification which was verified and the para was recommended to be dropped.

DP No.1.5 NON DEPOSIT OF RECEIPT OF RS.4,13,078/- (2002-03)

185. In the meeting held on 19/5/2009 the Department produced ex-post facto sanction of Finance Department which was duly verified by Audit, hence the para was dropped.

DP No.1.6 IRREGULAR EXPENDITURE OF RS.4,30,000/- ON THE (2002-03) CONSTRUCTION, MAINTENANCE AND REPAIR WORK.

186. In the meeting held on 19/5/2009 the Audit verified the requisite record produced by the Department hence the para was recommended to be dropped.

DP No.1.7 LOSS OF RS.1,87,242/- DUE TO MISSING STOCK ARTICLES.
(2002-03)

187. In the meeting held on 19/5/2009 after the verification of original record by audit the para was recommended to be dropped.

188. In the meeting held on 19/5/2009 the Department produced the relevant record for verification to audit which was verified, hence the para was recommended to be dropped.

DP No.1.8 NON-RECOVERY OF RS.1,33,680/- ON ACCOUNT OF RENT.
(2002-03)**DP No.1.9 LOSS OF RS.1,09,744/- TO GOVERNMENT ON ACCOUNT OF PURCHASE OF SPORTS EQUIPMENTS ON HIGHER RATES.**

189. In the meeting held on 19/5/2009 the Committee recommended that certificate duly verified by Secretary Sports should be provided to audit which was provided on 25/05/2009 and verified hence, the para was recommended to be dropped.

IRRIGATION DEPARTMENT.**DP No.25 IRREGULAR EXPENDITURE OF RS.7,58,379/- DUE TO AVOIDING WIDE PUBLICITY.**
(97-98)

190. In the meeting held on 20/5/2009 the Department produce the levant record for verification which was verified by Audit, therefore, the para was recommended to be dropped.

DP No.79 OVERPAYMENT OF RS.0.245 MILLION DUE TO ALLOWING DOUBLE PREMIUM ON THE BOQ ITEMS.
(97-98)

191. In the meeting held on 6/7/2009 the Department explained that it was in old case strenuous efforts were made to trace out the requisite PC-I but in win. Therefore, the Committee recommended that self content case may be sent to Finance Department for examination. If the Finance Department satisfied then write off sanction may be provided to Department under intimation to PAC Cell so that long outstanding issue could be resolved once for all.

192. In the meeting of Verification of Record Committee held on 27/10/2010, the Department could not advance any solid reasons for non-implementing the decision of the Committee except showing a letter issued on 05-06-2009 for write off-sanction. The Committee therefore, recommended that disciplinary action may be initiated against the person/persons who did not implement the decision of the Committee and the

requisite sanction from Finance Department may be obtained under intimation to PAC cell before 05-11-2010.

193. On 05-11-2010, the Department did not bother to attend the meeting of Verification of Record held in PAC Cell. Para stands.

DP No.81 LOSS OF RS.72,690/- DUE TO ALLOWING HIGHER RATES.
(97-98)

194. In the meeting held on 6/7/2009 the Department produce the relevant documents to Audit in this regard Audit pointed out that the Department allowed, 10% enhance rate from the permissible limit after detail, deliberation the Committee recommended that as it was an old issue and by arranging further meetings the Government have put to loss more than the amount involved in the para moreover a lot of precious time of the public representative and Government Officers/Officials has also been wasted therefore, the para may considered to be dropped.

DP No.82 LOSS OF RS.76,807/31 DUE TO EXCESSIVE RATES.
(97-98)

195. In the meeting held on 6/7/2009 the Department produced the relevant documents to Audit after proper examination of the relevant record the Audit pointed out that the Department allowed 10% enhanced rates from the permissible limit, after detail deliberation the committee recommended that as it was an old issue and by arranging further meetings the Government might be put to loss amounting more than the amount involved in the Para, moreover a lot of important time of the public representative and Government officers/officials would be wasted therefore, the para may considered to be dropped.

DP No.95 EXCESS PAYMENT OF RS.1,29,359/- DUE TO APPLICATION OF HIGHER RATE.
(97-98)

196. In the meeting held on 20/5/2009 the Department failed to produce the relevant documents; hence the para remain stands.

197. In the meeting of Verification of Record Committee held on 27/10/2010, the Department produced original documents to Audit which were verified and the para was recommended to be dropped.

DP No.107 **UNAUTHORIZED PAYMENT OF RS.1,63,412/- ON ACCOUNT OF (97-98) RUNNING CHARGES OF THE SUPERINTENDING ENGINEER'S VEHICLE.**

198. In the meeting held on 6/7/2009 the Department could not produce the relevant record with the explanation that the audit already settled the subject para, in this regard the Department also shown the Audit certificate before the committee therefore the committee directed the Audit Department to trace out the verification certificate which had already issued on the subject para under intimation to the PAC cell so that the para could be settled.

199. In the meeting of Verification of Record Committee held on 27/10/2010, the Audit showed verification certificate to the Committee, hence the para was recommended to be dropped.

DP No.109 **LOSS OF RS.85,300/- DUE TO NON RECOVERY OF OUTSTANDING (97-98) GOVT: DUES.**

200. In the meeting held on 6/7/2009 the Committee recommended that the Department should produce write off sanction within 15 days positively and progress may be reported to PAC Cell.

201. The Verification of Record Committee in its meeting held on 27/10/2010, noted with grave concern that the Department could not show any action in the matter even after the lapse of (15) months, therefore, it directed that Administrative Secretary of the Department may attend the next meeting of the Committee to explain reasons for non-obtaining the write off sanction. Write off- sanction may be produced before 05-11-2010, other wise breach of Privilege Motion would be moved against the Department.

202. On 05-11-2010, the Department did not attend the meeting of Verification of Record held in the PAC Cell.

DP No.112 **NON RECOVERY OF GOVT. DUES AMOUNTING TO RS.79,485/66. (97-98)**

203. In the meeting held on 6/7/2009 the same observation as in DP No.109. The Chairman of committee also ordered that disciplinary action against official concerned recommend in previous meeting dated 20/05/2009 may not be taken till further orders.

204. In the meeting of Verification of Record Committee held on 27/10/2010, the record was produced before the Committee. After examination of the record, it was found that Audit observations for the years 1990-91 and 1996-97 were printed in Audit Report 1997-98. Both the paras i.e. draft paras No.112 and 113, were the same. The record revealed that full recovery except Rs.15, 982/- had been made. The recovery was verified by Audit. The Committee, therefore, recommended the paras to be dropped, subject to deposit of Rs15, 982/- in Government treasury. The recovery and deposit of the above mentioned amount should be completed before Friday i.e. 05-11-2010. Para stands. Progress be reported to PAC cell.

205. On 05/11/2010, the Department produced original challan of recovery amounting to Rs.15,982/- and its deposit into Government treasury which was verified by Audit, hence the para was recommended dropped.

DP No.113 NON RECOVERY OF RS.91,434/- OUTSTANDING AGAINST VARIOUS (97-98) PERSONS.

206. In the meeting held on 6/7/2009 the Department was directed to produce complete record within 15 days to audit for verification moreover, disciplinary action as recommended in the meeting of verification committee held on 20/05/2009 may not be initiated till further orders.

207. In the meeting of Verification of Record Committee held on 27/10/2010, the record was produced before the Committee. After examination of the record, it was found that Audit observations for the years 1990-91 and 1996-97 were printed in Audit Report 1997-98. Both the paras i.e. draft paras No.112 and 113, were the same. The record revealed that full recovery except Rs.15, 982/- had been made. The recovery was verified by Audit. The Committee, therefore, recommended the paras to be dropped, subject to deposit of Rs15, 982/- in Government treasury. The recovery and deposit of the above mentioned amount should be completed before Friday i.e. 05-11-2010. Para stands. Progress be reported to PAC cell.

208. On 05/11/2010, the Department produced original challan of recovery amounting to Rs.15,982/- and its deposit into Government treasury which was verified by Audit, hence the para was recommended dropped.

DP No.122 NON RECOVERY OF RS.79,551/-.
(97-98)

209. In the meeting held on 20/5/2009 the Department could not produced detailed record for verification. Some portion of the record was provided which was thoroughly scrutinized by Audit. In this regard, it was pointed out that the cheque has been received and work has been carried out and no loss to Government has been occurred. The Committee took lenient view and dropped the para with the direction that such in efficiency of the Department will not be tolerated in future.

DP No.27 UN-AUTHORIZED RETENTION OF RS.0.182 (M) IN SUSPENSE
(2001-02) ACCOUNT.

210. In the meeting held on 6/7/2009 the Department failed to produce the relevant documents; therefore, the committee recommended that it should be provided till tomorrow (21-05-09).

211. The Department produced the relevant documents to Audit and was verified, hence the para was recommended to be dropped.

DP No.31 NON ISSUANCE OF STONE AMOUNTING TO RS.0.628 (M) IN
(2001-02) VIOLATION OF RULES.

212. In the meeting held on 6/7/2009 the Department produced the relevant record which was verified by audit hence the para was recommended to be dropped.

DP No.1 NON-PREPARATION OF ANNUAL FINANCIAL STATEMENTS FOR
(2002-03) RS.89.20 MILLION.

213. In the meeting held on 20/5/2009 the Department produced the required financial statement which was verified by Audit, hence the para was recommended to be dropped.

DP No.15 NON-RECOVERY OF ELECTRICITY CHARGES OF RS.1,10,000/- FOR
(2002-03) USING IRRIGATION TUBE WELL.

214. In the meeting held on 6/7/2009 the Department produced the relevant record which was verified by audit hence the para was recommended to be dropped.

**DP No.17 NON-PRODUCTION OF AUDITABLE RECORD FOR RS.1.15
(2002-03) MILLION.**

215. In the meeting held on 20/5/2009 the Department produced the relevant record for verification which was verified therefore the para was recommended to be dropped.

**DP No.57 NON CREDITING OF LAPSED DEPOSITS OF RS.1.512 MILLION INTO
(2003-04) GOVERNMENT TREASURY.**

216. In the meeting held on 6/7/2009 the Department produced the relevant record which was verified by audit hence the para was recommended to be dropped.

**DP No.58 OVERPAYMENT OF RS.1.18 MILLION.
(2003-04)**

217. In the meeting held on 20/5/2009 the Department was directed to produce statement of schedule rates on 25-05-2009. The Department on the date produced requisite documents which were duly verified, by Audit therefore, the para was recommended to be dropped.

**DP No.59 NON- DEDUCTION OF SALES TAX AMOUNTING TO RS.1.133
(2003-04) MILLION AND SPLITTING OF PURCHASE ORDER.**

218. In the meeting held on 20/5/2009 the Department produced the relevant documents for verification which were verified by Audit, hence the para was recommended to be dropped.

**DP No.63 IRREGULAR DRAWAL OF RS.2,13,479/- ON ACCOUNT OF
(2003-04) ELECTRICITY CHARGES PAYABLE TO WAPDA.**

219. In the meeting held on 20/5/2009 the Department produced the relevant documents for verification which were verified by Audit, hence the para was recommended to be dropped.

BOARD OF REVENUE DEPARTMENT.

**DP No.11 SUSPECTED MISAPPROPRIATION OF RS.1,00,000/- BY NON
(97-98) RENDERING OF ACCOUNT.**

220. In the meeting held on 21/5/2009 the Department produced the documents regarding expenditure and refund of Re.65,000/- to audit for verification after proper verification of the relevant documents the para was recommended to be dropped.

DP No.16 NON-REALIZATION OF LEASE/GOVT: REVENUE FROM LAND
(97-98) MEASURING 799-16 KANALS CAUSED LOSS OF RS.15,48,310/-.

221. In the meeting held on 6/7/2009 the Committee directed the Department that relevant record should be produce to Audit up to 22/07/2009. Para remain stands.

222. In a number of previous meetings of Verification of Record Committee, the Department could not produce relevant documents before the Committee for verification. Therefore, the Committee in its meeting held on 27/10/2010, directed the Department to produce the same to Audit by day after tomorrow i.e. 29-10-2010 otherwise disciplinary action against the responsible of the Department will be recommended to be initiated. Para stands.

DP No.18 NON DEDUCTION OF HOUSE RENT AMOUNTING TO RS.1,54,456/-
(97-98) FROM THE OFFICERS/OFFICIALS RESIDING IN GOVERNMENT
ACCOMMODATION.

223. In the meeting held on 6/7/2009 the Department produce the break up list in which house rent from the officer concerned were not deducted therefore, the Committee recommended that the case may be take up with Accountant General office so that the recovery may be made from their pension this process should start within one week. Further more the Department may also sent the personal number of the concerned officer to A.G office.

224. In the meeting of Verification of Record Committee held on 27/10/2011, the Department could neither produce record before the Committee nor submitted detail of recovered and un-recovered amount for scrutiny to Audit, therefore, the Committee directed the visiting officers of the Department (DOR, Buner) to take the case personally with the defaulters and recover the amount upto next Friday i.e. 05-11-2010, otherwise disciplinary action will be recommended to be initiated against the responsible.

225. On 05-11-2010, the Deputy DOR attended the meeting and showed recovery of Rs.4, 960/- with commitment that he would show progress of recovery in near future. Para stands till complete recovery.

DP No.1 NON RECOVERY OF ABYANA WORTH RS.94.332 (M).
(2001-02)

226. In the meeting held on 6/7/2009 the Para was partially verified and referred back to PAC with the recommendation that Secretary Irrigation and SMBR

should sit together to chalk out the procedure for recovery it should be done within 30 days. Further more the committee recommended that Department should take strenuous efforts for recovery of balance amount and evolve mechanism for each recovery without any further delay. The Committee recommended that the para may be referred to Sub-Committee No.7 (2004-05) which had already been constituted by PAC for the purpose.

DP No.2 NON RECOVERY OF RENT OF SHOPS RS.2,00,600/-.
(2001-02)

227. In the meeting held on 26/5/2009 dropped with instruction that the Department should recover the balance amount of Rs.1,800/- immediately.

DP No.4 NON RECOVERY OF GOVT: RECEIPT WORTH RS.48,000/- ON
(2001-02) ACCOUNT OF RENT OF CANTEEN AND SHOPS.

228. In the meeting held on 21/5/2009 the Department produced the original challan to audit for verification which was duly verified, hence the para was recommended to be dropped.

DP No.5 OUTSTANDING GOVT: DUES WORTH RS.9,63,000/-.
(2001-02)

229. In the meeting held on 21/5/2009 the requisite record was produced to audit which was verified, therefore, the para was recommended to be dropped.

DP No.6 NON RECOVERY OF OUTSTANDING GOVT: DUES WORTH
(2001-02) RS.97,000/- AND NON RECONCILIATION OF RS.2,60,000/- WITH
REASURY.

230. In the meeting held on 6/7/2009 reconciliation certificate produced and verified hence, the Para was recommended to be dropped.

DPNo.7 NON RECOVERY OF OUTSTANDING GOVT: DUES AMOUNTING TO
(2001-02) RS.39.640(M).

231. In the meeting held on 21/5/2009 the Department produced the record regarding recovery of Rs.39.64 million for verification to audit which was verified, hence the para was recommended to be dropped.

DP No.15 NON-DEDUCTION OF INCOME TAX/ EXCISE DUTY WORTH RS.0.039
(2001-02) MILLION.

232. In the meeting held on 21/5/2009 the Department produced the relevant record to audit for verification after proper verification of record the para was recommended to be dropped.

**DP No.16 DOUBLE PAYMENT OF RS.0.613 MILLION TO WAPDA AND NON-
(2001-02) RECOVERY OF RS.1.722 MILLION FROM WAPDA.**

233. In the meeting held on 6/7/2009 the Committee recommended that the Department should reconcile the record with WAPDA within 15 days & progress report to PAC Cell and Audit.

234. In the meeting of Verification of Record Committee held on 27/10/2010, the Department produced record to Audit. After examination of record, it was found that Rs.6,13,185/-, out of total amount of Rs.23,35,359/- have been adjusted while the remaining amount of Rs.17,22,175/- needs recovery/adjustment.

235. On 05-11-2010, the Department produced record pertaining to the remaining amount which was verified by Audit, hence the para was recommended to be dropped.

**DP No.22 DOUBTFUL EXPENDITURE OF RS.0.300 MILLION.
(2001-02)**

236. In the meeting held on 6/7/2009 record for an amount of Rs.1,50,000/- related to DCO Malakand was produced and verified but the record for an amount of Rs.1,50,000/- in respect of DCO Shangla, Chitral and Dir (lower) was not produced hence, the para stands.

237. In the meeting of Verification of Record Committee held on 27/10/2010, the relevant record was produced and verified by Audit, hence the para was recommended to be dropped.

**DP No.23 DOUBTFUL EXPENDITURE OF RS.0.943 MILLION DUE TO NON-
(2001-02) PRODUCTION OF AUDITABLE RECORD.**

238. In the meeting held on 6/7/2009 the concerned officer failed to attend the meeting therefore the Committee directed the Department to produce complete record up to 27/07/2009 and progress be reported to PAC.

239. In the meeting of Verification of Record Committee held on 27/10/2010, the relevant record was produced and verified by Audit, hence the para was recommended to be dropped.

DP No.24 NON PRODUCTION OF AUDITABLE RECORD WORTH RS.280.189
(2001-02) Million.

240. In the meeting held on 6/7/2009 as the committee recommended special Audit was conducted, hence the Para was recommended to be dropped.

DP No.25 NON-PRODUCTION OF AUDITABLE RECORD.
(2001-02)

241. In the meeting held on 21/5/2009 record pertaining to the subject para was produced during the course of meeting to audit for verification which was verified, hence the para was recommended to dropped.

DP No.26 NON-PRODUCTION OF RECORD WORTH RS.0.854 MILLION.
(2001-02)

242. In the meeting held on 6/7/2009 the Committee recommended that special Audit should be carried out within one week and appraised to PAC Cell positively.

243. The Verification of Record Committee in its previous meeting held on 06-07-2009, had directed the Audit Department to conduct Special Audit within a week but the Audit Department could not carry out the same. The Committee in its meeting held on 27/10/2010, taking lenient view, directed the Audit Department again to carry out special Audit and its report be submitted to PAC Cell within a week time. Para stands.

DP No.2.3 NON PRODUCTION OF AUDITABLE RECORD WORTH RS.1.2
(2002-03) MILLION.

244. In the meeting held on 6/7/2009 the Committee directed the Department to produce complete record up to 27/07/2009 and progress be reported to PAC.

245. In the meeting of Verification of Record Committee held on 27/10/2010, the Department explained that the para related to DOR, DIK who was absent from the meeting. Therefore, the Committee recommended that disciplinary action against the DOR, Dera Ismail Khan may be initiated and record may be got verified from Audit before next Friday i.e. 05-11-2010. Progress be reported PAC Cell.

246. On 05-11-2010, the Department did not attend the meeting. Para stands.

DP No.2.4 (2002-03) **i. UNVERIFIED EXPENDITURE OF RS.5,00,000/-**
II. NON-UTILIZATION OF RS.2,25,286/-.

247. In the meeting held on 26/5/2009 the Department produced the relevant record, which was verified by Audit, hence the para was recommended to be dropped.

DP No.2.5 (2002-03) **NON-PRODUCTION OF AUDITABLE RECORD WORTH RS.3,99,000/-**

248. In the meeting held on 6/7/2009 the Committee recommended that the Department should produce complete record to Audit within one week in case of failure disciplinary action should initiate against the officer concerned.

249. In the meeting of Verification of Record Committee held on 27/10/2010, the Department explained that record in question was lost during fire set on the building of the Office; therefore, it could not be produced for examination. The Committee, therefore, directed the Department to produce certificate to the effect that the record had been lost during fire. The certificate should be submitted to PAC Cell upto next Friday i.e. 05/11/2010, failing which disciplinary action will be recommended against the responsible.

250. On 05-11-2010, the Department did not attend the meeting.

DPNo.2.6 (2002-03) **NON-DISBURSEMENT OF RS.3.541 MILLION ON ACCOUNT OF LAND COMPENSATION.**

251. In the meeting held on 6/7/2009 during the course of meeting the record was partially verified while record of remaining amount of Rs.4,30,700/- should be verified within 20 days by Audit and progress be reported to PAC Cell.

252. In the meeting of Verification of Record Committee held on 27/10/2010, the Department explained that the amount related to the cost of land of owners acquired by Government and was lying in Government treasury. As and when the owners approach the Department for payment, they are paid. The Department produced challans pertaining to Rs.3, 26,005/- out of the total amount of Rs.4, 30,700/- which was verified. The remaining amount of Rs.1, 39,547/- as stated by the Department, would be paid as soon as possible.

253. The Committee in view of plausible explanation of the Department and production of record recommended the para to be dropped with the direction to the Department to pay the remaining amount to the land owners as soon as possible.

DP No.2.7 UNAUTHENTIC DISBURSEMENT OF RS.3,52,147/- ON ACCOUNT OF (2002-03) REWARD TO FOREST DEPARTMENT.

254. In the meeting held on 26/5/2009 the Department failed to produce complete record, therefore the committee directed the Department to produce the record to Audit for verification and verification certificate be sent to PAC Cell before 06/06/2009. Para stands.

255. The Department produced the record which was verified by Audit and verification certificate had sent by the Audit on 16/06/09, hence the Para was recommended to be dropped

DP No.2.8 EXCESS EXPENDITURE OF RS.2,77,275/- OVER ALLOCATION. (2002-03)

256. In the meeting held on 26/5/2009 the Department produced the relevant record, which was verified by Audit, hence the para was recommended to be dropped.

DP No.2.9 IRREGULAR EXPENDITURE OF RS.2,00,000/- ON ACCOUNT OF (2002-03) NATURAL CALAMITIES .

257. In the meeting held on 21/5/2009 the Department produced the relevant record to audit which was verified hence the para was recommended to be dropped.

DP No.2.10. DOUBTFUL EXPENDITURE OF RS.1,50,000/- ON ACCOUNT OF (2002-03) RENOVATION OF HOUSE AND NON-PRODUCTION OF RECORD.

258. In the meeting held on 6/7/2009 the Committee directed the Department to produce complete record to Audit within 21 days for verification and report progress to PAC Cell.

259. In the meeting of Verification of Record Committee held on 27/10/2010, record was produced & verified, hence, the para was recommended to be dropped.

WORKS AND SERVICES DEPARTMENT.

DP No.3 NON RECOVERY OF RS.0.058 MILLION. (PP& H)
(97-98)

260. In the meeting held on 26/5/2009 the Department produced the relevant record for verification which was verified, hence the para was recommended to be dropped.

DP No.15 UNAUTHORIZED RETENTION OF GOVERNMENT MONEY OF
(97-98) RS.2.262 MILLION IN AUTHORITY ACCOUNT (PP& H)

261. In the meeting held on 26/5/2009 the Department was directed to produce complete record to Audit within two weeks and report be sent to PAC cell before 08/06/2009. Para stands.

262. As per verification certificate sent by Audit on 05/06/09, the para was recommended to be dropped.

DP No.24 IRREGULAR EXPENDITURE OF RS.8.697 MILLION WITHOUT
(97-98) BUDGET PROVISION. (PP& H)

262. In the meeting held on 26/5/2009 the Department produced the relevant record for verification which was verified, hence the para was recommended to be dropped.

DP No.34 SUSPECTED MISAPPROPRIATION OF RS.0.188 MILLION. (C&W).
(97-98)

263. In the meeting held on 6/7/2009 the Department failed to implement the directives of the PAC and verification committee which was noted with grave concern the Committee once again directed the Department to produce the record of recovered amount and to recover the balance amount of Rs.99,702/- and Rs.88,745/- within one week but the Department could neither produce the record of recovered amount nor shown any progress of recovery.

264. In the meeting of Verification of Record Committee held on 27/10/2010, the Chairman lamented over such attitude of the Department and directed that recovery must be made upto next Friday i.e. 05-11-2010, with the direction to initiate disciplinary action against the person who did not implement the decision of the Committee.

265. On 05-11-2010, the Department explained that Rs.88,745/- have been recovered through transfer entry No.7 for the month of September 1994 which was verified by Audit. With regard to remaining amount of Rs.99,702/-, the Department told that the same would be deposited upto Monday i.e. 08-11-2010 positively. Para stands till recovery.

266. On 08-11-2010 the Department deposited Rs.99, 702/- in the National Bank of Pakistan, Main Branch Abbottabad. The challan duly verified by Audit, was produced to PAC Cell, hence the para was recommended to be dropped.

DP No.45 IRREGULAR AND UNAUTHORIZED EXPENDITURE RS.0.368 (97-98) MILLION.(C& W).

267. In the meeting held on 26/5/2009 record produced by the Department, which was verified by Audit, hence the para was recommended to be dropped.

DP No.46 OVERPAYMENT OF RS.4,58,528/- TO CONTRACTORS ON A/C OF (97-98) ALLOWING ENHANCE RATES. (PHE)

268. In the meeting held on 6/7/2009 record produced and verified by Audit hence the para was recommended to be dropped.

DP No.49 Malicious auction of vehicle causing a loss of Rs.0.538 million (97-98) (PP& H)

269. In the meeting held on 26/5/2009 the Department produced the relevant record for verification, which was verified by Audit, hence the para was recommended to be dropped.

DP No.56 OVERPAYMENT OF RS.0.237 MILLION ON ACCOUNT OF (97-98) FABRICATION OF MILD STEEL & RCC.(C& W).

270. In the meeting held on 26/5/2009 the Department produced the relevant record for verification, which was verified by Audit, hence the para was recommended to be dropped.

DP No.70 EXCESS OF RS.1.934 MILLION OVER REVISED PC-I. (PMU). (97-98)

271. In the meeting held on 26/5/2009 in pursuance of the recommendation of the Verification Committee the department produce the letter from the Asian Development Bank duly countersigned by the Secretary of the concerned Department, hence the para was recommended to be dropped.

DP No.71 (97-98) UN-AUTHORIZED EXPENDITURE OF RS.0.718 MILLION WITHOUT BUDGET ALLOTMENT. (PMU).

272. In the meeting held on 26/5/2009 the Department failed to produce the relevant record and stated that it was not traceable so the Committee recommended that it may be re-referred to PAC for detailed probe. Paras stands.

DP No.80 (97-98) NON-DISPOSABLE OF STRUCTURE COSTING RS.30.782 MILLION. (PMU)

273. In the meeting held on 26/5/2009 the Committee directed the Department that waive-off sanction may be obtained from the Finance Department and report be sent to the PAC cell before 05/06/2009.

274. In the meeting of Verification of Record Committee held on 27/10/2010, record was produced, verified and the para was recommended to be dropped.

DP No.82 (97-98) NON RECOVERY OF RS.2.966 MILLION FROM THE CONTRACTOR ON ACCOUNT OF ADVANCES. (PMU).

275. In the meeting held on 26/5/2009 the principal accounting officer was instructed to personally take up the case with his counterpart i.e. the Administration Department and produce the record to PAC Cell by 06/06/2009.

276. In the meeting of Verification of Record Committee held on 27/10/2010, record was produced, verified and the para was recommended to be dropped.

DP No.87 (97-98) NON-RECOVERY OF GOVERNMENT MONEY AMOUNTING TO RS.6.947 MILLION ON ACCOUNT OF LOSSES ON GOVERNMENT PROPERTY. (C&W).

277. In the meeting held on 6/7/2009 the Department provided the requisite log book to audit which was duly verified hence the Para was recommended to be dropped.

DP No.88 (97-98) NON CREDITING OF RS.4.935 MILLION TO GOVERNMENT REVENUE. (PMU).

278. In the meeting held on 26/5/2009 the Department failed to produce the relevant record and stated that it was not traceable so the Committee recommended that it may be re-referred to PAC for detailed probe. Paras stands.

DP No.89 **NON RECOVERY OF GOVERNMENT MONEY AND UNDUE**
(97-98) **FINANCIAL AID OF RS.29.857 MILLION TO CONTRACTORS. PMU.**

279. In the meeting held on 26/5/2009 the Department failed to produce the relevant record and stated that it was not traceable so the Committee recommended that it may be re-referred to PAC for detailed probe. Paras stands.

DP No.94 **OVERPAYMENT OF RS.1.284 MILLION DUE TO DEVIATION FROM**
(97-98) **THE BOQ RATE. (C&W).**

280. In the meeting held on 26/5/2009 the Department produced the relevant record which was verified by Audit, hence the para was recommended to be dropped.

DP No.99 **NON RECOVERY OF OUTSTANDING MOBILIZATION/SECURED**
(97-98) **ADVANCES MOUNTING TO RS.7.048 MILLION AGAINST THE**
CONTRACTOR. (C&W).

281. In the meeting held on 26/5/2009 the Department produced the relevant record for verification which was verified by Audit, hence the para was recommended to be dropped.

DP No.102 **NON DEDUCTION OF INCOME TAX RS.4.264 (M) AND RECOVERY**
(97-98) **OF RS.1.376 (M) AS INTEREST ON ADVANCE. (C&W).**

282. In the meeting held on 26/5/2009 the Department produced the relevant record which was verified by Audit, hence the para was recommended to be dropped.

DP No.108 **NON PRODUCTION OF AUDITABLE RECORD. (W&S).**
(97-98)

283. In the meeting held on 26/5/2009 the Department produced the relevant record which was verified by Audit, hence the para was recommended to be dropped.

DP No.110 **NON RECOVERY OF RS.0.755 (M) FROM THE CONSULTANTS ON**
(97-98) **ACCOUNT OF SALE PROCEEDS OF TENDER DOCUMENTS. (C&W).**

284. In the meeting held on 06/7/2009 the Department produced the record of recovery made from sales of tender forms to Audit. It was verified by Audit & Para was recommended to be dropped.

DP No.136 (97-98) NON RECOVERY OF OUTSTANDING RECOVERY, OVER PAYMENT AND DISMANTLE MATERIALS AMOUNTING TO RS.0.045 MILLION.(C&W).

285. In the meeting held on 06/7/2009 the Department produced the challan of the outstanding amount to Audit for verification. It was verified and Para was recommended to be dropped.

DP No.7 (2001-02) LOSS OF RS.1.086 MILLION TO GOVERNMENT DUE TO NON DEPOSIT OF RECEIPT IN GOVERNMENT ACCOUNT. (W&S).

286. In the meeting held on 26/5/2009 the Department produced the relevant record which was verified by Audit, hence the para was recommended to be dropped.

DP No.17 (2001-02) OVERPAYMENT OF RS.0.063 MILLION TO TELEPHONE DEPARTMENT. (W&S).

287. In the meeting held on 06/7/2009 the Department was directed to produce the relevant record to Audit up to 22/07/2009, but the Department could not produce the same.

288. In Verification of Record Committee meeting held on 27/10/2010, the Chairman, therefore, directed the Department to take up the case with PTCL and record of adjustment be produced by next Friday i.e. 29/10/2010 otherwise disciplinary action against the responsible will be recommended by the Committee. On 29/10/2010, the Department explained that the task needs time and requested that they may be given some time. On the request of the Department, ten days period was extended to the Department for production of record.

DP No.22 (2001-02) IRREGULAR EXPENDITURE OF RS.1 MILLION ON SPECIAL REPAIR. (W&S).

289. In the meeting held on 26/5/2009 the Department produced the relevant record which was verified by Audit, hence the para was recommended to be dropped.

DP No.27 (2001-02) IRREGULAR AUCTION OF MACHINERY FOR RS.0.852 MILLION. (W&S).

290. In the meeting held on 26/5/2009 the Department produced the relevant record which was verified by Audit, hence the para was recommended to be dropped.

**DP No.28 NON RECOVERY OF ROOM RENT OF RS.0.197 MILLION. (
2001-02)**

291. In the meeting held on 06/7/2009 the Para was recommended to be dropped subject to verification by Audit within 15 days and progress be reported to PAC cell, but the Department failed to produce the same within stipulated period.

292. In the meeting of Verification of Record Committee held on 27/10/2010, the Chairman directed the Department once again to produce all relevant record to Audit up to 29/10/2010 failing which initiation of disciplinary action against the responsible will be recommended.

293. On 29/10/2010, the Department explained that relevant record was available with Administration Department as such cases were dealt with by them & they could produce the same. They have made several requests to Administration Department but in vain. The Committee did not accept the explanation of the Department and directed that the Administrative Secretary may discuss the issue with his counterpart i.e. Secretary Administration for collection of complete record from Administration Department and produce the same before the Committee for verification in its next meeting.

**DP No.32 NON RECOVERY OF RS.0.171 MILLION OUTSTANDING AGAINST
(2001-02) THE PETROL PUMPS. (W&S).**

294. In the meeting held on 26/5/2009 the Department produced the relevant record which was verified by Audit, hence the para was recommended to be dropped.

**DP No.33 NON-RECOVERY OF OUTSTANDING DUES AMOUNTING TO
(2001-02) RS.4.567(M).(W&S).**

295. In the meeting held on 26/5/2009 para stands. The Committee recommended that Department initiate disciplinary action against the officer concerned, who mislead PAC. In this regard, Divisional Accounting Officer confirmed that no recovery was made, as yet para stands.

296. In the meeting of Verification of Record Committee held on 27/10/2010, the Department was directed to initiate disciplinary action against the officers concerned for non implementing the directive of Verification of Record Committee and progress be sent to PAC Cell upto 29-10-2010, positively.

297. On 05-11-2010, the Department could not show any progress in conducting enquiry and implementation of the decision of Verification of Record Committee. However the Department could only explain that Rs.24,92,000/- was store credit and would be deposited through transfer entry while Rs.20 lacs was recovery for which the Department could not produce any record for verification. Para stands.

DP No.34 (2001-02) LESS RECOVERY OF RS.0.046 (M) ON ACCOUNT OF COST OF TENDER FORMS AND STAMP DUTY. (W&S).

298. In the meeting held on 26/5/2009 the Department produced the relevant record which was verified by Audit, hence the para was recommended to be dropped.

DP No.35 (2001-02) NON-RECOVERY OF OUTSTANDING GOVERNMENT DUES AMOUNTING TO RS.1.926 (M). (W&S).

299. In the meeting held on 26/5/2009 the Department produced the relevant record which was verified by Audit, hence the para was recommended to be dropped.

DP No.40 (2001-02) UNAUTHORIZED AND UNAUTHENTIC EXPENDITURE OF RS.1.662 MILLION ON THE REPAIR OF GOVERNMENT BUILDINGS. (W&S).

300. In the meeting held on 26/5/2009 the Department produced the relevant record which was verified by Audit, hence the para was recommended to be dropped.

DP No.4 (2002-03) UNAUTHORIZED EXPENDITURE OF RS.15.78 MILLION OVER AND ABOVE THE PERMISSIBLE LIMIT. (W&S).

301. In the meeting held on 26/5/2009 the Department produced the relevant record which was verified by Audit, hence the para was recommended to be dropped.

DP No.19 (2002-03) NON-PRODUCTION OF AUDITABLE RECORD IN SUPPORT OF EXPENDITURE OF RS.5.70 MILLION.

302. In the meeting held on 06/7/2009 the Committee recommended that special Audit to be carry out and report progress to PAC Cell.

303. In the meeting of Verification of Record Committee held on 27/10/2010, record was produced, verified and the para was recommended to be dropped.

DP No.20 (2002-03) NON-PRODUCTION OF AUDITABLE RECORD IN SUPPORT OF EXPENDITURE OF RS.2.474 MILLION INCURRED ON THE PURCHASE OF STORE.

304. In the meeting held on 06/7/2009 the Committee recommended that special Audit to be carry out and report progress to PAC Cell.

305. In the meeting of Verification of Record Committee held on 27/10/2010, record was produced, verified and the para was recommended to be dropped.

DP No.70 (2002-03) UN-NECESSARY RETENTION OF RS72.459 MILLION.

306. In the meeting held on 06/7/2009 the Department produced the relevant record, which was verified by Audit, hence the para was recommended to be dropped.

DP No.76 (2003-04) UNAUTHORIZED EXPENDITURE OF RS.5.041 MILLION. (W&S).

307. In the meeting held on 26/5/2009 the Department produced the relevant record, which was verified by Audit, hence the para was recommended to be dropped.

DP No.80 (2003-04) NON-RECOVERY OF RS.4,18,000/- FROM THE PETROL PUMPS/FILLING STATION OWNERS. (W&S).

308. In the meeting held on 26/5/2009 the Department produced the relevant record, which was verified by Audit, hence the para was recommended to be dropped.

DP No.81 (2003-04) NON-RECOVERY OF REGISTRATION/RENEWAL FEE OF RS.4,10,000/- W&S).

309. In the meeting held on 26/5/2009 the Department produced the relevant record, which was verified by Audit, hence the para was recommended to be dropped.

DP No.82 (2003-04) OVERPAYMENT OF RS.3,78,000/- TO A CONTRACTOR ON ACCOUNT OF PAYMENT OF CARRIAGE CHARGES FOR EXTRA DISTANCE. (W&S).

310. In the meeting held on 26/5/2009 the Department produced the relevant record, which was verified by Audit, hence the para was recommended to be dropped.

DP No.84 (2003-04) LOSS OF RS.2,36,916/- ON ACCOUNT OF INCORRECT-APPLICATION OF FORMULA. (W&S).

311. In the meeting held on 26/5/2009 the Department produced the relevant record, which was verified by Audit, hence the para was recommended to be dropped.

DP No.17 CONSUMPTION OF EXCESS STEEL CAUSING LOSS OF RS.2,82,009/-
(2001-02) CD & MD (PP&H).

312. In the meeting held on 26/5/2009 joint verification of actual utilization of steel by the Audit and PAC Cell should be carried out by 05/06/2009. Para stands.

313. As per directives of PAC, Audit along-with the officers of PAC Cell visited the Technical Training Center Hayatabad Peshawar, to carryout physical verification of site to ascertain utilization of excess steel therein, Mr. Pervez Ahmad, Director Planning & Development and Mian Muhammad Shakeel, Deputy Director (PDA) were also present on the occasion.

314. The roof of the Technical Training Center was measured and after calculation it was found that covered area was enhanced as it came to 12947 instead of 11947 reflected in the PC-I and the contention of the Department about utilization of excess steel was found justified hence, the para was recommended to be dropped.

INTER DEPARTMENTAL COMMITTEES

315. The Inter Departmental Committee was constituted under the Chairmanship Mr. Mukhtiar Ali, MPA to examine the following para:-

DP 3.41 LOSS OF RS.0.631 MILLION DUE TO APPROVING HIGHER RATE
THAN PC-I.

316. The PC-I of the scheme “Construction of Addl: carriage way” was approved for Rs.7.483 million in special PWDP meeting held in 5/1995. Tender for this scheme was also opened on 21/05/1995. the main item of work to be executed was RCC work. Higher rates for this item of work were approved than the approved PC-I. This has resulted loss of Rs.0.631 million to the Government.

317. The PAC recommended that matter may be referred to the Inter Departmental Committee consisting of representative of Finance Department, Law Department and Director General, Audit to be presided over by Mr. Khalil Abbas, MPA to thrash out the issuing detail.

318. The same could not finalized the report due to dissolution of Assembly the para was again discussed by PAC on 28th April, 2009 and re-referred to IDC under Chairmanship of Mr. Mukhtiar Ali, MPA.

319. As Mr. Mukhtiar Ali, MPA was not present during the meeting so that the same was kept pending.

320. The inter Departmental Committee was constituted under the chairmanship of Mr. Muhammad Zamen Khan, MPA to examine the following D.P.

D.P. 14.22 NON-RECOVERY OF SECURITY DEPOSIT AND STAMP DUTY AMOUNTING TO RS.1.934 MILLION.

321. The Audit reported that in the office of Executive Engineer, Highway Division, Mardan, an expenditure of Rs.1.291 million was incurred on the purchase of 67.75 ton bitumen @ Rs.19,200/- per ton on 04/04/1998, while a quantity of 13.67 metric ton bitumen was available in the store on 30/06/1992. Moreover, the Government of NWFP had imposed ban on the purchase of store in July,1991. In the AC meeting, the Department was directed to enquire the matter through Chief Engineer, Works & Services and submit report within a month.

322. The PAC referred the para to IDC consisting to Law, Finance and Audit Departments under the Chairmanship of Mr. Muhammad Zamin Khan, MPA to probe into the matter and submit its report to PAC within one month. The Administrative Department will be responsible to notify the Committee and to convene meeting IDC in consultation with the Chairman.

323. Mr. Muhammad Zameen Khan the report of IDC and told that the committee had not agreed with the explanation advanced by the department that the bitumen was not purchased for the store but for maintenance and that the department had put the bitumen to auction but the rates offered being low, hence regretted.

324. He further told that after consultation with other members the committee recommended that the C&W Department may initiate an enquiry into the losses and fix responsibility or the staff in whose custody the bitumen was allowed to be rendered unsuitable for use. XEN C&W Division Mardan was also directed to go ahead with the auction of the unusable bitumen in C&W Division Mardan after completion of all codal formalities. Moreover, field formations were directed to immediately begin stock taking of all the stores in their respective Division and that the process be completed and reported within a period of 45-days.

325. PAC agreed with the recommendations of the IDC and directed the Department to comply with the same.

REPORTS OF SUB COMMITTEES

SUB-COMMITTEE NO.1, ENVIRONMENT DEPARTMENT (2003-04)

326. Mr. Amjad Ali, Additional Secretary on behalf of Mr. Mukhtiar Ali, MPA, Chairman of Sub Committee, as he was not present on the occasion, presented the report of Sub Committee constituted for D.P. No. 24 for the year 2003-04 pertaining to Environment Department.

D.P. 24 BLOCKAGE OF FUNDS OF RS.1.40 MILLION ON UN-NECESSARY PURCHASE OF STORE.

327. The Audit reported that in the office of Divisional Forest Officer Wildlife, Peshawar, store like steel girders chain link mesh and other articles costing Rs.1.40 million were purchased for the development of Kund Park during the month of June 1999. The entire store was lying unutilized in the Kund Park, which shows that the above materials were purchased unnecessary and the Government money was blocked which would have been utilized somewhere else, hence Rule 290 of CTR volume (1) was violated which states that money shall not be drawn from the treasury unless it is required for immediate disbursement.

328. The PAC agreed with the recommendations of Sub Committee and recommended the para to be dropped.

SUB-COMMITTEE NO.2, ENVIRONMENT DEPARTMENT (2004-05)

329. Syed Muhammad Sabir Shah, MPA Chairman of Sub-Committee presented the report of Sub Committee on Environment before PAC. The following paras were included in the said report:-

D.P. 3.5 UN-AUTHORIZED ADVANCE PAYMENT TO CONTRACTORS RS.5.081 MILLION.

330. The Audit reported advance payment of Rs.5.081 million to the contractor without provision in the contract agreement in violation of para-397 of the Federal Treasury Rules, Vol-I and termed it irregular and un-authorized.

331. As per recommendation of Sub-Committee, verification of record was involved, therefore, the PAC recommended the para to be kept pending with the direction to Chairman to held another meeting and verify the same during the meeting.

D.P. 3.16 LOSS DUE TO NON-IMPOSITION OF PENALTY RS.8,73,250/-

332. The Audit reported non-imposition of 10% penalty on the contractor in light of the contractual obligations hence clause-2 of the contract agreement was violated. Moreover, during the DAC meeting while discussing the para in question, the Department was directed to recover the amount of penalty which was not done.

333. The PAC examined the report regarding the para and noted that Departmental inquiry, action and repair was involved, therefore, the para was kept pending with the direction to held another meeting to determine that whether Department has complied with the directives of PAC and to physically check the repair work.

SUB-COMMITTEE NO.3, FOOD DEPARTMENT (2004-05)

334. Mr. Saqibullah Khan Chamkani, MPA Chairman of Sub-Committee presented the report before PAC. The following reports were included in the said report.

D.P. 10 BLOCKAGE OF GOVERNMENT MONEY AMOUNTING TO RS.5.06 MILLION.

335. The Audit reported that Food Department incurred an expenditure of Rs.5.06 million during the 1984 on the purchase of land for construction of Godowns at the following stations:-

- | | | |
|----|---|-----------------|
| a. | DFC Bannu 1000 Kanal land at Hafizabad | Rs.2.53 million |
| b. | DFC Dargai 100 Kanal land at Marand Road Sakhakot | Rs.2.53 million |

336. The PAC upheld the decision of Sub Committee and recommended that same may be implemented within stipulated time.

D.P.6.2 LOSS ON ACCOUNT OF DAMAGED/INFESTED WHEAT AMOUNTING TO RS.17.486 MILLION.

337. The Audit reported loss on account of damaged/infested wheat worth Rs.17.486 million.

338. The PAC examined the report regarding the para and upheld its recommendation with partial amendment the recovery may be made from all the responsible whether alive or dead.

D.P.6.3 OVERPAYMENT DUE TO ALLOWING EXCESS DISTANCE RS.2.656 MILLION.

339. The Audit reported overpayment of Rs.2.656 million to the contractor due to allowing excess distance.

340. The Chairman updated the Committee that para was examined thread bare and after hectic deliberation the Committee recommended that amount of Rs.1.49 million be recovered from the concerned contractors while the rest of the cases were recommended to be dropped due the plausible explanation of the Department.

341. The concerned contractors, M/S JAM Goods made an appeal which was entertained by Mr. Speaker. He personally appeared before the Committee. The Committee noted many discrepancies in the contention of Audit, Department and contractors, therefore, it was re-referred to the same Sub Committee for examination and reports.

SUB-COMMITTEE NO.6, HOME & TRIBAL AFFAIRS DEPARTMENT (2004-05)

342. Mr. Saqib Ullah Khan Chamkani, MPA presented the report before PAC. The following Paras were included in the said report.

D.P. 9.13 MIS APPROPRIATION OF GOVERNMENT MONEY AMOUNTING TO RS.3.447 MILLION

D.P.9.23 MIS APPROPRIATION OF GOVERNMENT FUND RS.6,93,127/-.

343. The Audit reported in the office of Capital City Police Peshawar, an amount of Rs.3.447 million was drawn during 2002-03 for payment to PESCO and for incurrence on other miscellaneous expenditures, the amount was not paid and misappropriation. Similarly a sum of Rs.6,93,127/- was drawn as electricity charges but not paid.

344. The PAC found the recommendation of the Sub-Committee plausible and both Paras were recommended to be dropped.

SUB-COMMITTEE NO.3, HEALTH DEPARTMENT (2003-04)

345. Due to the sad demise of Mr. Alam Zeb Khan, MPA the Chairman of Sub-Committee, the said report was presented by Mr. Fazal Shakoor, MPA member of Sub Committee.

D.P.42 NON SUPPLY OF EQUIPMENTS WORTH RS.1,02,795/-.

346. The Audit reported that in Hayatabad Medical Complex Peshawar, a payment of Rs.1,49,520/- was made on account of purchase of 16 million pressure ventricular peritoneal shunts during the year 1998-99, on verification of record only 5 shunts were found shown received out of 16 shunts. Thus 11 number shunts costing Rs.1,02,797/- were not supplied.

347. The PAC agreed with recommendation of the Sub Committee and directed to recover the same amount within stipulated period.

D.P.43 NON PRODUCTION OF RECORD AMOUNTING TO RS.7.51 MILLION.

348. The Audit reported that HMC, Peshawar during the year 2001-02, record pertaining to the following receipts/payments.

349. The Committee agreed with explanation of the Sub Committee that record had been verified by Audit during the meeting, that the para was recommended to be dropped.

APPEALS

D.P.13.2 LOSS DUE TO THEFT OF VEHICLE RS.5,60,000/-

350. The Audit reported that in the office of Director General, Population Welfare, NWFP, Peshawar, vehicle No. A-1061 was stolen from the premises of the FC Tr4ust Building on 08/05/2004 and thus Government was put to loss of Rs.5.60,000/-

351. The matter was discussed in PAC on 10/04/2009. The Department explained that proper FIR had been lodged and the matter was under investigation of the Police Department.

352. The PAC did not agree with the explanation of the Department and recommended to conduct an inquiry into the matter through responsible officer and submit the same to PAC within two weeks.

353. The Department conducted inquiry accordingly wherein Mr. Iqbal, Store Keeper and Mr. Ayaz, Driver were held responsible due to their negligence and it was recommended that Ex-DPWO, Karak may personally appear before the Committee.

354. The Secretary, Population welfare and than said DPWO appeared before the Committee and pleaded that store keeper and driver may be exonerated of the charges as they were on official duty. The Committee did not agree and recommended that amount may be recovered from both at depreciated cost without removing them from services.

HEALTH DEPARTMENT

D.P.21 UNAUTHENTIC LOSS OF RS.15,31,000/- ON ACCOUNT OF TREATMENT OF GOVERNMENT SERVANT ABROAD

355. The Audit reported that in the office of Secretary, Health, NWFP, Peshawar expenditure of Rs.15,31,000/- had been incurred on abroad treatment of Government servant.

356. Out of Total Rs.15,31,000/- an amount of Rs.2,80,000/- was sanctioned to Mr. Abdul Hameed, Office Superintendent, Lady Reading Hospital Peshawar, for treatment abroad but he spent the said amount in Pakistan.

357. In pursuance of the recommendation of PAC given in its meetings held on 22/07/2004, the case was referred to verification of record Committee held on 29/06/2009, the Department produced record which revealed that the treatment was taken in Pakistan despite the fact that Rs.2,80,000/- was sanctioned for treatment abroad. The Committee took serious note of the fact that facility of treatment abroad is extended only when such facilities were not available within the country. As the amount was shown utilized within the country without any justification, the Committee, therefore, recommended to initiate the process of recovery of full amount from the defaulter within a week under intimation to the PAC Cell.

358. After the decision of verification of record Committee regarding recovery, the said Officer submitted an appeal to the Hon'ble Speaker which was accepted by extending him the opportunity to explain his case before the Public Accounts Committee.

359. Mr. Abdul Hameed, Office Superintendent, LRH, Peshawar personally appeared before the Committee and pointed out that the amount of Rs.2,80,000/- was not sufficient for the treatment abroad, hence it was spent in Pakistan for treatment. The Committee observed the pathetic condition of the official who was even unable to stand and exonerated him on humanitarian ground with direction to Health and Finance Department to regularize the case on its own.

EXCISE & TAXATION DEPARTMENT

The Public Accounts Committee assembled on 20th July, 2010 at 10.00 a.m. in the Conference Room of Khyber Pakhtunkhwa House Abbottabad to examine and discuss the Audit Report on Revenue Receipts of Government of Khyber Pakhtunkhwa for the year 2005-06 pertaining to Excise & Taxation Department. The following were present:-

Public Accounts Committee.

- | | | |
|----|------------------------------------|-----------|
| 1. | Mr. Kiramatullah Khan, Speaker | Chairman. |
| 2. | Mr. Abdul Akbar Khan, MPA | Member |
| 3. | Syed Muhammad Sabir Shah, MPA | Member |
| 4. | Mr. Mukhtiar Ali, MPA | Member |
| 5. | Mr. Saqib-Ullah Khan Chamkani, MPA | Member |
| 6. | Mr. Muhammad Zamin Khan, MPA | Member |
| 7. | Syed Muhammad Ali Shah Bacha, MPA | Member |
| 8. | Mr. Fazal Shakoor Khan, MPA | Member |
| 9. | Malik Tamash Khan, MPA | Member |

Finance Department.

1. Mr. Masood Khan,
Deputy Secretary (PAC).
2. Dr. Atta-ur-Rehman
Provincial Finance Controller.

Law Department

Mr. Muhammad Ibrahim,
Additional Secretary.

Audit Department.

1. Mr. Javed Iqbal,
Director, Audit.
2. Mr. Fida Muhammad,
Deputy Director.
3. Mr. Qadir Khan,
Audit Officer.

Excise & Taxation Department.

Mr. Sajid Khan,
Secretary.

Provincial Assembly of Khyber Pakhtunkhwa.

1. Mr. Amanullah,
Secretary.
 2. Mr. Amjad Ali,
Additional Secretary.
 3. Mr. Inamullah Khan,
Deputy Secretary,
2. The meeting commenced with recitation of the Holy Qura'n.

D.P. 1.1 NON-RECOVERY OF PROPERTY TAX TO NON-ISSUANCE OF DEMAND NOTICES TO THE STATE OWNED ORGANIZATIONS – RS. 21.531 MULLION.**Audit Version**

3. Property tax is leviable on building and lands owned by autonomous bodies, semi-government organizations/corporations such as WAPDA, PTCL, Arts Council, Development Authorities and Market Committees. The properties of such organizations were assessed and entered in tax demand and receipt register by six Excise and Taxation offices amounting to Rs.2,15,31,030/- which was required to be recovered. The Audit explained that amount of Rs.1,01,78,863/- has been reported recovered by the Department out of which Rs.19,19,403/- have been verified and Rs.82,59,460/- is pending on the Departmental part for verification whereas Rs.1,13,52,167/- is pending for recovery.

Departmental Version

4. The Department explained the latest position and said that total amount in the para was Rs.2,15,31,030/-, out of which only Rs.1.4 million is balance for recovery whereas the rest of amount has been recovered. It further explained that the Department is experiencing hardship in getting verification certificates of recovered amount from the Audit.

PAC Observation

5. The PAC observed difference in recovery statements between the Audit and Department and held that reconciliation in such like cases was imperative to know as to whether the amount recovered pertained to the para in question or otherwise. It was suggested by Audit Department that in order to resolve the issue, it would be advisable that the Department should chalk out a programme to be intimated to Audit to check the record of subordinate offices of Excise & Taxation Department to which the amount pertain and get it verified on the spot and submit report to the PAC.

PAC Recommendation/Directive

6. After detailed discussion, it was observed by the PAC that although reconciliation of the recoverable amount and recovery made by the Department was an uphill task, yet it needed to be done, therefore, the Committee, accepting the suggestion of Audit, directed the Department to chalk out a schedule in consultation with Audit Department for carrying out reconciliation of figures of recovery with the respective subordinate offices within two months. Para stands. Progress be reported to PAC.

D.P. 1.2 NON-REALIZATION OF 15 PERCENT PROVINCIAL GOVERNMENT SHARE OF PROPERTY TAX FROM CANTONMENT BOARDS – RS. 5.790 MILLION.

Audit Version

7. Fifteen percent of net proceeds of property tax collected by a Cantonment Board is payable to the Provincial Government concerned under Presidential order No.13 of 22/08/1979. In disregard of this provision, four Excise and Taxation offices did not recover 15% Provincial Government share in property tax amounting to Rs.59,18,261/- from four Cantonment Boards during 2004-05.

Departmental Version

8. The Department contended that major amount involved in the para had been recovered, leaving a balance of Rs. 7,739/- which is yet to be recovered. The Audit did not verify the recovered amount as it involved reconciliation.

PAC Observation

9. Same as per D.P. No.1.1.

PAC Recommendation/Directive

10. Same as per D.P.No.1.1.

D.P. 1.3 NON-RECOVERY OF ARREARS OF PROPERTY TAX – RS. 26.893 MILLION.**Audit Version**

11. Non paid property tax is to be recovered as arrears of land revenue under Section 16 of the NWFP Urban Immovable Property Tax Act 1958. This provision of law was not enforced in 1057 cases, thereby leading to accumulation of arrear of property tax Rs. 2,96,14,004/- during 2004-05.

Departmental Version

12. The Department explained that total balance amount involved in the para was Rs.2,96,14,004/-, out of which Rs.96,20,889/- had been recovered and the balance of Rs. 1,99,93,115/- was not recovered for which legal notices have been served to the defaulters and it assured the Committee that progress will be shown to Audit shortly.

PAC Observation

13. Same as per D.P.No.1.1.

PAC Recommendation/Directive

14. After detailed discussion, it was recommended by the PAC that the Department should expedite the pace of recovery and the balance amount of Rs.1,99,93,115/- may be recovered by 30th September,2010. Furthermore, the Committee, accepting the suggestion of Audit directed the Department to chalk out a schedule in consultation with Audit Department for carrying out reconciliation of figures of recovery with the respective subordinate offices within two months. Para stands. Progress be reported to PAC.

D.P. 1.4 **SHORT-REALIZATION OF PROPERTY TAX BY GIVING INCORRECT EFFECT OF ORDERS PASSED BY ASSEMBLY AUTHORITY – RS. 0.050 MILLION.**

Audit Version

15. Any change in the assessment during the currency of a survey is to take effect prospectively from 1st July or 1st January as the case may be under Section 9 (c) (iii) of the Urban Immovable Property Tax Act 1958. Contrary to this provision, the Excise and Taxation office, Mansehra did not give the correct effect of such changes in three cases. This caused short-realization of Rs.49,666/-.

Departmental Version

16. The Department contended that total amount involved in the para had been recovered which could be verified by Audit.

PAC Recommendation/Directive

17. The para was recommended to be dropped, subject to verification of recovery by Audit.

D.P. 1.5 **NON-REALIZATION OF PROPERTY TAX DUE TO NON CARRYING FORWARD OF ARREARS OF PROPERTY TAX FROM OLD TO NEW TAX DEMAND AND RECEIPT REGISTER – RS. 0.201 MILLION.**

Audit Version

18. Every assessing authority is required to maintain for each rating area a property tax demand and receipt register under rule 15 (a) of the Urban Immovable Property Tax Rules, 1958. In order to keep a correct account of recoverable tax, any sum which remains outstanding at the end of a financial year is carried forward from old to new tax demand and receipt register. Contrary to this, property tax outstanding at the end of the year 2004-05 was not transferred to next year tax demand and receipt register by the Excise and Taxation Officer-III, Peshawar. This led to non recovery of Rs. 2,01,248/- in five cases during 2004-05.

Departmental Version

19. The Department contended that major portion of amount had been recovered, leaving a balance of Rs. 62,000/- only pertaining to one house at Hayatabad. The same would also be recovered, soon.

PAC Recommendation/Directive

20. The amount recovered may be got verified by Audit and every efforts be made to get the remaining recovery in view of the law.

D.P. 1.6 NON-ASSESSMENT OF 10 PERCENT SURCHARGE ON COMMERCIAL BUILDINGS – RS. 1.100 MILLION.**Audit Version**

21. A surcharge @ 10 percent of the tax shall be levied in addition to the tax in respect of each commercial building where the annual tax has been assessed one lac rupees or more under the law. Contrary to this, Excise and Taxation offices-II and III, Peshawar did not recover 10 percent surcharge amounting to Rs. 11,00,383/- in seven cases during 2004-05.

Departmental Version

22. The Department contended that the whole amount had been recovered.

PAC Recommendation/Directive

23. Subject to verification of recovery, the para was recommended to be dropped.

D.P. 1.7 NON-REALIZATION OF PROPERTY TAX ON CONVERSION OF RESIDENTIAL UNIT INTO COMMERCIAL UNIT – RS. 0.143/- MILLION.**Audit Version**

24. Different rates of property tax are applicable for residential and commercial property units under the law. Two property units lying under jurisdiction of the Excise and Taxation office-II, Peshawar were converted from residential units to commercial units under order of the competent authority but demand for property tax was not raised accordingly. This resulted in loss of Government revenue of Rs.2,08,037/- during 2004-05.

Departmental Version

25. The Department contended that out of the total amount, a sum of Rs. 1,03,649/- had been recovered. Remaining amount of Rs. 38,000/- would be recovered shortly.

PAC Recommendation/Directive

26. The Department was directed to get the amount recovered, verified by Audit and the balance recovery may be expedited, subject to the above the para was recommended to be dropped.

D.P. 1.8 SHORT-REALIZATION OF PROPERTY TAX DUE TO MISCALCULATION – RS.0.025 MILLION.**Audit Version**

27. Property tax is levied at certain prescribed rate on urban property units and recovered from the owners of property units under the law. The Excise and Taxation office, Kohat miscalculated property tax, resulting into short realization of Government revenue of Rs. 24,867/- in four cases.

Departmental Version

28. The Department contended that the property fell in category “D” and the tax rate was Re. 0.75/- and not Re.1/- as pointed out by Audit Party. The Department had made the recovery of Rs. 8,982/- and for the remaining amount, ETO had been directed to recover the balance amount.

PAC Recommendation/Directive

29. The amount recovered may be verified by Audit and the balance recovery may be expedited. Para stands. Progress be reported to PAC.

D.P. 1.9 NON/SHORT-REALIZATION OF MOTOR VEHICLES TAX – RS. 1.528 MILLION.**Audit Version**

30. Unpaid amount of motor vehicle tax (token tax) is recoverable as arrears of land revenue and the registration of defaulted vehicles is also liable to suspension under the law. Contrary to this, token tax of Rs. 15,92,436/- was not paid by owners of

354 vehicles against which no recovery action was initiated by eleven Excise and Taxation offices during 2004-05.

Departmental Version

31. The Department explained that total balance amount involved in the para was Rs. 15,27,991/-, out of which Rs. 2,20,326/- had been recovered by respective Excise & Taxation offices and the balance of Rs. 13,07,665/- is under process and would be intimated to Audit shortly.

PAC Recommendation/Directive

32. The Department was directed that already recovered amount may be got verified by Audit and the balance recovery may be expedited. Para stands till complete recovery.

D.P. 1.10 SHORT-REALIZATION OF REGISTRATION FEE DUE TO UNDER-ASSESSMENT –RS. 0.056 MILLION.

Audit Version

33. Any owner of the motor vehicle (imported into country or purchased from any authorized manufacturer in the country) is required to get the vehicle registered within sixty days of import/purchase by paying prescribed fee. Failure of pay to prescribed fee attracts penalty, the rates of which vary according to period of default. Contrary to this, the Excise and Taxation offices, Peshawar-I and IV did not enforce these provisions of law, thereby resulting in loss to the Government revenue of Rs. 56,310/- in 18 cases during 2004-05.

Departmental Version

34. The Department contended that total amount involved in the para was Rs. 0.056/- million, out of which recovery of Rs. 15,745/- had been made. Notices had been issued to the owners of the defaulting vehicles for recovery of balance amount.

PAC Recommendation/Directive

35. The Department was directed that already recovered amount may be got verified by Audit and the balance recovery may be expedited. Para stands till complete recovery.

D.P. 1.12 NON-RECOVERY OF PROFESSIONAL TAX – RS. 0.979/-.**Audit Version**

36. Professional tax is required to be levied and recovered from all persons engaged in any profession, trade calling or employment of different categories at prescribed rate. Contrary to the law, nine Excise and Taxation offices did not recover professional tax of Rs. 11,33,500/- in 222 cases during 2004-05.

Departmental Version

37. The Department contended that total balance amount involved in the para was Rs. 9,78,500/-, out of which Rs. 4,81,150/- had been recovered by Excise & Taxation offices concerned.

PAC Recommendation/Directive

38. The Department was directed that already recovered amount may be got verified by Audit and the balance recovery may be expedited. Para stands till complete recovery. Detail list of the clients/defaulters involved in the para may be produced to PAC. Para stands. Progress be reported to PAC.

D.P. 1.13 NON-REALIZATION OF HOTEL TAX – RS. 6.183 MILLION.**Audit Version**

39. Hotel tax (bed tax) is leviable @ 5 percent of the room rent per lodging unit per day on the basis of 50 percent of total number of lodging units available in the hotel concerned. The owner of the hotel is required to deposit the deducted amount and submit the treasury receipt alongwith statement in Form H.T.1. In case of default to pay the taxes by due date a penalty is also leviable as per Hotel Tax Rules 1992. Contrary to this, management of 87 hotels running under the jurisdiction of four Excise and Taxation offices did not deposit Hotel Tax. The Excise and Taxation offices did not initiate penal action against the defaulters. This caused non-realization of Government revenue of Rs. 68,92,487 in 134 cases during 2004-05.

Departmental Version

40. The Department explained that total balance amount involved in the para was Rs.61,83,427/-, out of which Rs.8,56,721/- had been recovered and the balance of Rs.53,26,706/- as unrecovered. It was contended that major portion of recovery in the para pertained to District Mansehra. After earthquake the hotels were demolished and as such the amount was than unrecoverable.

PAC Observation

41. The PAC observed that the amount of recovery was due prior to earthquake and if the same would have been recovered in time, no such audit objection would have come to PAC.

PAC Recommendation/Directive

42. The PAC, after detailed discussion, directed that detail of the hotels and amount pertained to District Mansehra may be provided to PAC. Moreover, an inquiry may be held and responsibility be fixed for non recovery in time. Para stands. Progress be reported to PAC.

D.P. 1.14 NON-REALIZATION OF RENEWAL FEE FROM REAL ESTATE DEALERS/VISUAL CASSETTE TRADERS – RS. 0.078/- MILLION.**Audit Version**

43. A person intends to trade in visual cassettes is required to get himself registered with the Excise and Taxation Department by paying registration fee. Moreover, he is further required to get his registration renewed every year. Likewise, persons dealing in the business are required to get them registered with the Excise and Taxation Department before commencement of business and renewal of it every year. Contrary to this, visual cassettes traders/real estate agents did not get renewal certificates. Four Excise and Taxation offices did not initiate any action on this default. This caused loss to the Government Exchequer to the tune of Rs.1,30,500/- during 2004-05.

Departmental Version

44. The Department explained that total balance amount involved in the para was Rs.78,000/-, out of which Rs. 20,000/- had been recovered.

PAC Recommendation/Directive

45. Same as per D.P.No.1.1.

46 While submitting this report to the Provincial Assembly of Khyber Pakhtunkhwa Province, under Rule 161 of the Provincial Assembly of Khyber Pakhtunkhwa Procedure and Conduct of Business Rules, 1988 the Committee finally recommends that the suggestions, recommendations and directives made by the Committee in the report be adopted/approved.

(KIRAMAT ULLAH KHAN)
Speaker/Chairman,
Public Accounts Committee,
Provincial Assembly of Khyber Pakhtunkhwa.