

**REPORT
OF THE
STANDING COMMITTEE
ON
PUBLIC ACCOUNTS
OF THE
PROVINCIAL ASSEMBLY OF
WEST PAKISTAN
ON THE
APPROPRIATION, COMMERCIAL AND FINANCE
ACCOUNTS OF THE GOVERNMENT OF
WEST PAKISTAN
FOR THE YEAR
1957-58 AND THE AUDIT REPORTS
THEREON**



*Pages
613, 85, 124*

Lahore

Printed and Published by the Superintendent, Government Printing, West Pakistan
1964

T-9099 351-723

PAK-REP

REPORT OF THE STANDING COMMITTEE ON PUBLIC ACCOUNTS OF
THE PROVINCIAL ASSEMBLY OF WEST PAKISTAN ON THE APPROPRIATION,
COMMERCIAL AND FINANCE ACCOUNTS OF THE
GOVERNMENT OF WEST PAKISTAN FOR THE YEAR 1957-58
AND THE AUDIT REPORTS THEREON

1. *Members*—

(1) Mr. S. M. Sohail, M. P. A.	... Chairman.
(2) Mr. Muhammad Akbar Khan of Panjala, M. P. A.	Member.
(3) Khan Ata Hussain Khan, M. P. A.	... Member.
(4) Mr. Pir Ali Shah, M. P. A.	... Member.
(5) Mir Mir Muhammad Khan Talpur,	... Member.
(6) Sardar Ahmad Ali, M. P. A.	... Member.
(7) Mr. Ghulam Muhammad Shah, M. P. A.	... Member.
(8) The Minister for Finance, Government of West Pakistan.	(Ex-Officio).

Composition
of
the Com-
mittee
Members.

2. As required by Article 198 of the Constitution of the Islamic Republic of Pakistan, the Appropriation and Finance Accounts of Government of West Pakistan for the year 1957-58 and the reports of the Comptroller and Auditor-General thereon were laid before the Provincial Assembly on 12th March, 1963. The Commercial Accounts of the Government for the same year and the Audit Report thereon were laid before the Assembly on 8th June, 1963.

Presenta-
tion of
the Acco-
unts to
the
Assembly

3. (1) As required by Rule 113 of the National Assembly of Pakistan Rules of Procedure as adopted for regulating the Procedure of the Provincial Assembly of West Pakistan, these accounts and audit reports thereon were considered by the Standing Committee on Public Accounts in twenty four meetings held on 1st October, 1963, 27th April, 1964 to 2nd May, 1964, 4th May, 1964 to 6th May 1964, 28th July, 1964 to 1st August 1964, 10th August 1964 to 11th August 1964, 2nd September 1964 to 3rd September 1964, 26th September 1964, 28th September 1964 to 29th September 1964 and 7th December 1964 to 9th December 1964. The detailed proceedings of the Committee are contained in Annexure to this Report.

Meetings
of the
Committee

(2) In the meetings held on 1st October 1963 and 27th April, 1964, a preliminary examination of the Appropriation/Commercial Accounts for the year 1957-58 respectively was conducted. In regard to matters which required further elucidation, it was decided to call for explanatory notes from the Administrative Departments concerned and to examine them. The Committee considered the question of fixing the limits below which the discrepancies between the final grant or appropriation and the actual expenditure for a Head may be regarded as trivial and, therefore, not to require any explanation. It was decided that no explanation would be required where there has been a saving of ten percent of less under a Head.

(3) The next twenty meetings were devoted to the examination of the Administrative Secretaries and Heads of attached Departments or their representatives, on the points requiring further information and explanation.

(4) In the meeting held on 8th December, 1964 the Committee considered the Finance Accounts of the Government of West Pakistan for the year 1957-58

(5) In the last meeting held on 9th December, 1964 the Committee considered and approved the draft report.

Finances
of the
Government
of West
Pakistan
in the
year
1957-58

(1) The year 1957-58 may well be regarded as a development year in which the expenditure on voted and charged sections increased from Rs.1,14,73,12,505 and Rs. 14,45,47,861/- in 1956-57 to Rs. 2,19,42,53,597/- and Rs. 34,34,13,257/- respectively. The increase in expenditure in the voted section was due mainly to increases under Grants No. 10-Irrigation Works, No. 12.Irrigation Capital, No. 17-Frontier Regions, No. 22-Agriculture, No. 29-Civil Works, No. 31-Electricity Schemes-Working Expenses, No. 33-Civil Works Capital, No. 34-Electricity Schemes-Capital Expenditure, No. 39-Miscellaneous, No. 43-Capital Outlay on Provincial Schemes of State Trading and 47-Suspense and decreases under Grant No. 23-Capital Outlay on Schemes of Agricultural Improvement and Research, No. 44-Provincial Miscellaneous Investments, No. 45-Advances Repayable and No. 48-Loans and Advances bearing interest. The increase in the charged section was due to increases under Appropriation for Irrigation Works and Public Debt-Discharged and decreases under Appropriation for Debt Services.

(2) A summary of the Grants and Appropriations according to the main divisions of Accounts is given below :—

	Charged	Voted	Total
	Rs.	Rs.	Rs.
Expenditure on Revenue account.	14,8697,700	72,06,26,800	86,93,24,500
Capital Expenditure	30,000	71,51,39,200	71,51,69,200
Disbursements under Debt and Deposits head treated as Expenditure.	7,17,38,600	47,49,02,700	54,66,41,800
Total	23,04,66,300	1,91,08,68,700	2,13,11,35,000

(3) The Supplementary Appropriation Act passed by the Assembly in March, 1958 included 36 supplementary voted Grants aggregating Rs. 17,65,94,160 and supplementary charged Appropriations aggregating Rs. 8,50,61,910.

(4) The following statement gives the comparative position of the aggregate grants and Appropriations as also the modified grants and Appropriations for the year under report with the aggregate disbursement:—

IN UNITS OF RUPPES

Serial No.	Particulars	Charged	Voted	Total
		Rs.	Rs.	Rs.
1	Original Schedule of Authorised Expenditure:—			
	(a) Original Grants voted by Legislature.	..	1,91,66,68,700	1,91,66,68,700
	(b) Original Appropriations to meet expenditure charged on the revenues of the Province.	22,04,66,300	..	22,04,66,300
2	Supplementary Schedule of authorised expenditure:—			
	(a) Supplementary Grants voted by the Legislature.	..	17,65,94,160	17,65,94,160
	(b) Supplementary Appropriations to meet expenditure charged on the revenues of the Province.	8,50,61,910	..	8,50,61,910
3	Net aggregate grants or Appropriations.	30,55,28,210	2,08,72,62,860	2,39,27,91,070
4	Surrenders or withdrawals within Grants or Appropriations.	1,23,48,240	10,27,09,329	17,50,57,569
5	Net Modified Grants or Appropriations.	29,31,79,970	1,92,45,53,531	2,21,77,38,501
6	Aggregate disbursements	.. 34,34,13,257	2,19,42,53,597	2,53,76,66,854
7	Less (—) or more (+) than 3 above	(+) 3,78,85,047	(+) 10,69,90,737	(+) 14,48,75,784
8	Percentage of 7 to 3	.. (+) 12.40	(+) 5.12	(+) 6.05
9	Less (—) or more (+) than 5 above	(+) 5,02,33,287	(+) 26,97,00,066	(+) 31,99,33,353
10	Percentage of 9 to 5	.. (+) 17.47	(+) 14.01	(+) 14.43

5. During the course of examination of the Accounts it appeared General. to the Committee that the broad heads which required special attention were:—

- (i) Savings, particularly in the nation-building Departments like Agriculture, Education, Health, etc;
- (ii) Excesses in expenditure over the Budget provision which could not be justified as unavoidable;
- (iii) Major irregularities such as defalcations, embezzlements, misappropriations, etc;

(iv) Inaccurate budgeting necessitating huge surrenders brought about by negligent and unscientific anticipation of expenditure and absence of administrative approvals in due time as a result of which the nation-building activities substantially suffered.

(2) Full and detailed picture of the scrutiny and examination conducted by the Committee on these heads can be had by going through the proceedings of the Committee which form annexure to this report but the Committee considered it desirable to incorporate some of the more important items under each of these heads in this report to spot-light attention of the Legislature and Government for necessary action.

(3) The Committee would like to bring the instance of one particular Department of the Provincial Government for which large sums of moneys were voted by the Legislature and which failed to spend a substantial part of the moneys granted to it. It was Agriculture Department the activities of which would have gone a long way to help raise the produce of land and thereby the general standard of living of those living upon agriculture. The Committee waited right upto the time of writing its report for explanations of the huge savings that the Department made but to its regret no explanations were forthcoming. The Committee would like to remind the beneficent Departments in general and the Agriculture Department in particular that when the Legislature votes moneys for particular projects it expects to see the results and if the moneys granted by it are not spent it can only conclude that either the schemes and projects for which the money was demanded by the Department had not been prepared with due care or that the Department was too slack in its execution of those schemes.

(4) While examining the explanations of various Departments in respect of savings under various Heads, the Committee noticed that most of the savings had taken place in respect of schemes which had to be executed in the areas of the former Sind. That being comparatively backward area needed development to the extent that was provided for in the Budget and care should have been taken to spend money provided in the Budget by executing schemes and works that were required to be completed and executed. As the Committee has pointed out elsewhere this negligence on the part of officers who were in charge of the execution of Government schemes provide an opportunity for avoidable criticism of Government in the matter of development. The Committee has pointed out this aspect of the matter in the hope that in future care would be taken so that there is no repetition of this type of negligence or oversight in carrying out the development schemes envisaged by the Government.

6. (1) It may be worthwhile to mention that in respect of savings due to surrenders out of the original grant, the Finance Department raised an objection that normally the Committee had no jurisdiction to go into this question or ask for explanations regarding surrenders. It was urged on behalf of the Irrigation and Power Department that taking into consideration the proceedings of the Standing Committee on Public Accounts dated the 16th December, 1957, the Departments were not required to submit explanations for the surrendered amount as it was not required to be brought forth in the Appropriation Accounts. The observations of that Committee were as follows:—

“The Committee considered the Memorandum of the Accountant General, West Pakistan, and agreed to his proposal contained therein, viz, the explanatory notes for the modification of the original provision at present exhibited in column 1 of the Appropriation Accounts should be omitted in future”.

(2) The question of jurisdiction of the Standing Committee on Public Accounts in view of the stand taken by the Finance Department and the Irrigation and

Power Department was examined in detail by the Committee. The National Assembly of Pakistan Rules of Procedure as adopted for regulating the Procedure of the Provincial Assembly of West Pakistan, the Rules of Procedure of the former Punjab Legislative Assembly and the Rules of Procedure of the West Pakistan Assembly under the 1956 Constitution were examined. It was found that the rules regarding the jurisdiction of the Public Accounts Committee in all these rules were identical. The proceedings of the Public Accounts Committee in respect of Appropriation Accounts of the Provincial Government for the years 1939-40 and 1941-42 were also examined. It was found that the Public Accounts Committee had been considering this question and a large number of paragraphs in the proceedings of the Public Accounts Committee for these years pertained to this question. The then Committee considered this question, asked for explanations, and reasons leading to the surrenders which were furnished to the then Committee. The relevant paragraphs occurred on pages 19-27 of the Report of the Public Accounts Committee in respect of Appropriation Accounts for 1939-40. Similar explanations were called for by the Public Accounts Committee while examining the Appropriation Accounts for the year 1941-42. This being so, it appeared to the Committee that the correct interpretation of the rules (taking into consideration past practice followed by the Public Accounts Committee) is that the Standing Committee on Public Accounts has and should have jurisdiction to consider this question and ask for an explanation regarding thereto.

(3) This view of the Committee finds support in para 15.19 of the Punjab Budget Manual which reads as follows :—

“The Committee is entitled to offer criticisms and recommendations upon any matter discussed in the Appropriation Accounts and in the Auditor General’s comments thereon, whether such matter concerns the accounts of the expenditure voted or charged or those of receipts. It has, however, no jurisdiction over matters relating to the salary and allowances of the Governor and other expenditure relating to his office for which provision is required to be made by order of the Governor General.

The Committee is not an executive body. It has no power, even after the most minute examination and on the clearest evidence to disallow any item or to issue any order. It can only call attention to any irregularity or failure to deal with it adequately and express its opinion thereon and record its findings and recommendations”.

Another such passage occurring in the same book at page 127 is as follows:—

“In regard to surrenders, Heads of Departments should note that where they give a reasonable explanation to the Accountant-General regarding such surrenders accepted by the Finance Department for incorporation in the Appropriation Accounts, the Standing Committee on Public Accounts will not normally ask for a further explanation. On the other hand, if a Head of a Department has not shown a surrender and his expenditure is less than its appropriation to a considerable extent, the Standing Committee on Public Accounts will invariably call for a detailed explanation of the lack of budgeting control”.

(4) As for the point raised on behalf of the Irrigation and Power Department, that in view of the Public Accounts Committee’s decision referred to above it was not necessary for the Department to furnish the explanation to the Audit so long as the Standing Committee on Public Accounts does not change its decision regarding future working, the Committee was inclined to agree with the Department for the reason that the explanations to be submitted by the Departments are for the scrutiny of the Audit, so that if they consider it sufficient they need not include them in

the Appropriation Accounts and if, on the contrary, they find it insufficient they are to include them in the Appropriation Accounts for the examination of the Standing Committee on Public Accounts. The Committee, however, observed that as against that argument, which was based on a previous decision of the Public Accounts Committee, there was a formidable argument based on the rules and the rules require that in all cases of surrenders the Departments concerned should furnish explanations to the Audit for their examination, if the Audit is satisfied with that explanation then it has to drop the matter there and if the Audit is not satisfied with it then the Audit has to bring it to the Standing Committee on Public Accounts for their attention and examination and for the Report of the Public Accounts Committee to the Legislature so that the Legislature may exercise proper control over such cases.

(5) The Committee decided that the correct procedure consistent with the rules, as also with the satisfactory working to ensure proper examination and scrutiny of the reasons for the surrender of amounts granted by the Legislature to the Department is that the healthy rule in practice so far that they should be included in the Appropriation Accounts should be followed in future.

Jurisdiction of the Committee in respect of supplementary appropriations and re-appropriations.

7. (1) In the course of deliberations of the Committee another question regarding the jurisdiction of the Committee was raised in connection with the issue whether the Committee could call for an explanation of the Finance Department in cases relating to supplementary appropriations of accounts even when it appeared to the Committee that an application for the same was made in proper time and was arbitrarily and perversely turned down by Finance Department as a result of which gross irregularities occurred or as a result of which there has been great national loss. The Finance Department was of the view that the Committee could not call for an explanation of the Finance Department even in cases of such serious lapses and that the Finance Department was responsible to the Legislature alone.

(2) The Committee examined this question in some detail. The Committee found that there was a duty cast by the Constitution as well as by the Punjab Budget Manual on the Finance Department to make supplementary grants in suitable cases. The relevant provision is embodied in Article 100 of the Constitution then in force which is reproduced below:—

"If in respect of any financial year it is found :—

(a) that the amount authorized to be expended for a particular service for the current financial year is insufficient, or that a need has arisen for expenditure upon some new service not included in the Annual Financial Statement for that year, or

(b) that any money has been spent on any service during a financial year in excess of the amount granted for that service for that year:—

"the Governor shall have the power to authorise expenditure from the Provincial Consolidated Fund, whether the expenditure is charged by the Constitution upon that fund or not, and shall cause to be laid before the Provincial Assembly a Supplementary Financial Statement setting out the amount of that expenditure and provisions of Articles 96 to 99 shall apply to the aforesaid statements as they apply to the Annual Financial Statement".

In the Punjab Budget Manual, Fifth Edition, page 118, para 14.16 under the Head "Supplementary Appropriation" it is stated:—

"A supplementary appropriation, whether 'voted' or 'Charged' is an addition to the total authorised grant as included in the Schedule or in a supplementary Schedule of authorised expenditure has to be ob.

tained in the manner prescribed in Section 81 of the Government of India Act, 1935 (as adapted) passing through the same stages, as the Annual Financial Statement or Budget;

(3) The Committee was of the view that where a duty was cast on the Finance Department to act in a particular manner, and if the question arises whether they did or did not act in terms of the duty cast upon them by law then the Committee was well within its jurisdiction for asking explanation from the Finance Department. What was the alternative before the Committee to satisfy itself whether the Finance Department has or has not discharged that duty which has been cast on them by law. The Committee, therefore, disagreed with the Finance Department that even if the Finance Department improperly or perversely acts in the matter of making these supplementary appropriations, the Public Accounts Committee will be just helpless and have no jurisdiction to look into and to bring it to the notice of the Legislature. Under the Presidential System and the Constitution in force, the Public Accounts Committee is the eye of the Legislature in the matter of the appropriation and expenditure made from the funds voted by the Legislature and if all cases, where the Finance Department has without sufficient cause refused to grant money by Supplementary appropriation or has with little reason refused to grant money by re-appropriation were to be taken out of the jurisdiction of the Public Accounts Committee, it would amount to whittling down the functions of the Public Accounts Committee. This would, not only, be contrary to what is envisaged by the Assembly Rules of Procedure but also to all accepted principles of Parliamentary control over finances. The Committee would like to quote here from "Parliamentary Grants by Durell", page 134.

"Examination of Treasury action—The functions of the Public Accounts Committee which have been so far dealt with are, in the main those whereby it examines the actual accounts before it with a view to recording its opinion, in the first place, of their correctness as accounts, and secondly as to their wisdom, faithfulness and economy. There remains to be mentioned two further functions. The first of these is constitutionally important, though, under modern conditions it is a function which does not require to be frequently exercised. It is the duty of the Committee to examine the executive action of the treasury as regards its compliance with the law".

In the Committee's opinion it was a duty cast on the Finance Department to apply its mind to the exigencies of the various situations and to see that suitable grants by way of supplementary appropriation or re-appropriation were made available to the Departments which required them in emergent cases. If the Finance Department arbitrarily turns down such requests for re-appropriation it fails to perform a duty cast upon it by law and rules and thereby is answerable to the Legislature through the Public Accounts Committee.

8. In para 5 of his report on the Appropriation Accounts, the Comptroller and Auditor General, reported savings in 36 out of 47 grants. Savings ranged from 5·79 per cent to 100 per cent. The Committee scrutinized all those cases in which there was a saving of more than 10 per cent under a head. Savings under the following eleven heads require special attention:—

Savings effected by non-expenditure of Budgette Grants.

Savings under head "81 Capital Account of Civil Works outside Revenue Account".

1. The Committee in the first instance examined the explanations of the Administrative Departments in respect of savings due to surrenders out of the original grants. Under Head 81—Capital Account of Civil Works outside Revenue Account under Grant No. 33—Civil Works—Capital, the Communications and Works Department surrendered a sum of Rs. 2,08,78,270 from the original grant of Rs. 10,50,77,200 and there was a further saving of Rs. 91,53,074. It would thus appear

that out of a total grant of ten and a half crores a sum of about three crores could not be spent. The Committee conducted a detailed examination of the question as to how and why such huge savings were effected and how they could be avoided and examined Mr. Hameed-ud-Din, Chief Engineer, Southern Region and Mr. A. R. Qureshi, Chief Engineer, Central Region and had a detailed discussion with the Additional Finance Secretary, the Accountant-General, West Pakistan and the Director of Audit and Accounts (Works). The main reasons for the non-expenditure and consequent saving appeared to be as follows :—

- (i) Administrative approval was not available long after the beginning of the financial year and in many cases it was received late in the year and in some cases was not received at all and the work, therefore, could not be executed ;
- (ii) while Budget provision had been made, the scheme for the execution of the work was not ready ;
- (iii) the site for the execution of the work was not available to the Department concerned and was not fixed before the Budget provision was made ;
- (iv) technical sanctions of the Department concerned for the Scheme were not available ;
- (v) delays in execution of work on account of non-availability of contractors or by being stuck up with incompetent contractors.

This led the Committee to examine the question how the Budget provision was to be made so as to ensure that after the necessary provision had been made there should be no bottleneck and the work should proceed on smoothly.

2. The Additional Finance Secretary explained that the Budget was prepared in anticipation and consequently when what is anticipated cannot be executed savings become unavoidable. This, in the Committee's opinion was the effect and not the malady itself.

3. The correct answer was made available to the Committee by the Accountant-General, West Pakistan. According to him, if the Finance Department feel on the basis of past experience, that completion of formalities takes longer time than the span of a budget the obvious remedy would be that they should rigidly enforce the drill prescribed in the Budget Manual. It is true that the Budget is only a forecast but this forecast is based on real foundations of accumulated experience, detailed calculations and careful assessment at several stages of potentialities and obstacles. Thus based, a good Budget would conform to actual subsequent happenings. Having framed the Budget and having got the approval of the Assembly to it, the Government still retains the opportunity of keeping actual spending under constant review and whenever they feel that actual spending cannot be regulated within the confines of the Budget they can adopt the next best alternative of having the Budget itself retailedored to fit the new dimensions for spending. It is within their power to recast their estimates and to go before the Assembly. Even as late as up to the last day of the year, the Government retains the power of re-appropriating funds. Having provided all these built-in devices, there can be no acceptable argument for wide variations between final modified grants and actual expenditure. The Committee was in full agreement with the views expressed by the Accountant-General and in the view of the Committee nation-building works would be very much expedited if the bottlenecks, attention to which has been drawn in this report, are removed and taken care of at the stage of budgeting and if the Budget is prepared and retailedored on the lines indicated above and this part of the job is done by men of vision and drive instead of being left entirely in the hands of routine Budget Clerks and Section Officers.

4. The Committee has dealt with in detail with each item in relation to which this huge saving of about rupees three crores in nation building works was

effected on account of works not being done (detailed in the proceedings of the meetings of the Committee which forms annexure to this report). Some of the works in respect of which the amount was unjustifiably surrendered and not utilized are given below :—

- (i) *Construction of District Headquarters Buildings at Thatta (Saving Rs. 20,00,000)*—It appeared that originally a sum of Rs. 40 lakhs was provided in the budget for this work which was reduced to Rs. 30 lakhs on 15th June 1, 1957 at the time of administrative approval. The Chief Engineer, Southern Region, tried to explain this huge saving of about Rs. 20 lakhs out of the approved grant of rupees 30 lakhs by stating that there was non-availability of cement and difficulty in the procurement of water and delay in the execution of work on the part of the contractor. The Committee gave enough time, in fact more than enough time, to the Department to bring out evidence to show that there was non-availability of cement but the Department could not substantiate this plea at all and the Committee, had, therefore, to reject this plea as completely untenable. Considering the location of the works at Thatta near Matli where the Matli Jheel is located and the river Indus is running at a distance of about a mile from the site, the Committee could not accept the plea that there was such non-availability of water that inspite of the best efforts of the Government, water could not be made available. As for the complaint regarding the contractors, the Committee was of the opinion that if the authorities entrusted with the execution of the work would have been serious about the completion of the work within time, they could have certainly taken greater work out of the contractors. There was no evidence before the Committee worth the while to accept the plea that contractors were negligent or deficient in the execution of work. The Committee came to the conclusion that the works were not completed in due time due to the carelessness of the departmental officers and the responsibility lay squarely on them for the non-execution of the works in time and the Committee decided to recommend it to Government to take suitable action against the officers concerned who were responsible for those avoidable delays.
- (ii) *Construction of Headquarters of Sessions Judge at Montgomery (Saving Rs. 76,950)*—A sum of Rs. 76,950 was provided in the budget for the construction of Headquarters building for the District and Sessions Judge who was to be transferred from Lahore to Montgomery. The whole of this amount remained un-utilised for the reason that the administrative approval for the expenditure of this amount came towards the end of the financial year in December 1958. Regional office file of the case which also contained letter No. 15/168-P/Judicial/58, dated 6th December, 1958 from the Secretary to Government of West Pakistan, Home Department to the Registrar, High Court of West Pakistan granting approval for the said work was shown by Sheikh Muhammad Akram, Chief Engineer, Bahawalpur Region. It revealed that the Regional Office had started writing for administrative approval beginning with letter No. 3-W/56/930/W/3, dated 2nd September, 1957. In the opinion of the Committee this was one of those extreme cases where the bottle-neck of belated administrative approval had completely blocked the progress of work in as much as the administrative approval came late in financial year and the Committee strongly felt that some mechanism should be devised by which this hurdle of administrative approval, which operates to retard and sometime stop the work completely, could be overcome. The Committee

suggested that it might be worthwhile to examine whether administrative approval should be available simultaneously with the grant of the amount by the Assembly. The attention of the Committee was drawn to paragraph 7.6 (b) (ii) of the Punjab Budget Manual, Fifth Edition, which is reproduced below :—

“No project should be included in the list of major works which has not received the necessary administrative approval”.

The Committee considered it a very salutary rule and observed that if this rule was strictly followed, the progress of works would be very much increased.

(iii) (a) *Construction of building for Bhitshah Cultural Centre*—(Saving Rs. 5,00,000), (b) *Construction of Pre-Cadet College at Mirpurkhas* (Saving Rs. 1,50,000), (c) *Construction of Boys High School at Sanghar and Malli* (Saving Rs. 4,00,000), (d) *Certain works of the Education Department which were provided in the Schedule of New Expenditure* (Saving Rs. 12,18,500), (e) *Construction of certain buildings in B.V. Hospital, Bahawalpur (E & T Department Outward)* (Saving Rs. 5,51,420)—All these savings amounting to Rs. 28,19,920 were, more or less, for the same reasons as given in respect of the previous item and the same remarks apply to these also.

(iv) (a) *Construction of certain works of the Agriculture Department in different regions* (Saving Rs. 34,52,765), (b) *Construction of various works of Veterinary Department in different Regions* (Saving Rs. 25,63,500), (c) *Construction of various works of the Industries Department* (Saving Rs. 17,86,630)—In all these cases either the administrative approval was received very late from the Administrative Department, or the selection of site was made very late by the Department or there was one reason or the other involving latches on the part of the Administrative Department. All these were nation-building works and would have contributed very much towards the improvement of the general economy of the country. The Committee draws the attention of the Legislature and Government to these very serious lapses on the part of the said Departments throughout the Province. As a matter of fact all the works were either delayed or had to be given up. The Committee had called upon these Departments to submit a report to the Committee as to why these serious lapses took place and what steps they had taken to ensure that these lapses do not occur in future. No reply, however, was, received from the Departments. Some of the works, included in each of the categories (a), (b) and (c) of item (iv) above were :—

(1) *Providing Residential accommodation for Officers and staff of the Agricultural Engineering Workshop* (Saving Rs. 2,42,500)—The whole of the amount which was to be utilized for providing residential accommodation for the Officers and staff of the Agricultural Engineering Workshop at Tandojam remained unspent. The reason given by the Department for the non-execution of the work was that (i) the administrative approval was received by 23rd September 1957 although it was asked for in July 1957 ; (ii) there was a dispute regarding the construction of one bungalow. The Principal of the College wanted an 'A' class bungalow to be built at a cost of Rs. 62,000 in place of a 'C' class bungalow to be built at Rs. 48,000. In the Opinion of the Committee even if both these explanations are accepted the position still remained to be explained as to why a sum of Rs. 1,82,500 was not utilized from September, 1957 to March, 1958. (The Committee considered the explanation with regard to

surrender of Rs. 1,82,500 out of a total grant of Rs. 2,42,500 as unsatisfactory). This work, it was pointed out to the Committee was under the same Officer who was responsible for the construction of District Headquarters at Thatta. The Committee recommend to Government to take suitable action against him.

- (2) *Constructing Agricultural Stores in Southern Region at Hyderabad (Saving Rs. 4,36,900)*—A sum of Rs. 4,36,900 was not spent on account of the fact that the possession of site for the stores which were to be constructed for the Agriculture Department, was not handed over to the Public Works Department by the Department till as late as February 1958.
- (3) *Constructing Tractor Repair Workshop (Saving Rs. 1,17,870)*—In this case, it was necessary to obtain the revised administrative approval in as much as the original estimate of Rs. 2,83,000 had to be revised to Rs. 4,13,100 as desired by the Agriculture Department on account of the extra work. The revised administrative approval came in October, 1957. The Public Works Department carried out roughly half of the work in a span of six months left with them.
- (4) *Construction of 10 Demonstrators Quarters at Lyallpur (Saving Rs. 99,900)*—The amount was surrendered as administrative approval came on 1st March 1958.
- (5) *Conversion of D.C. Electric current to A. C. current in P. A. C., Lyallpur (Saving Rs. 1,55,035)*—The amount was surrendered as administrative approval came on 31st March 1958.
- (6) *Constructing one Class II bungalow and 3 Agricultural Assistant Quarters at Risalewala (Saving Rs. 54,900)*—The amount was surrendered as administrative approval came on 16th January 1958.
- (7) *Constructing Boiler for Agricultural Workshop (ii). Fixture in the Workshop (Saving Rs. 4,53,000)*—In this case, again, the administrative approval was received on 15th November 1957 necessitating the surrender of the entire amount and no work was done.
- (8) *Constructing Agricultural Store at Kot-Adu in Muzaffargarh (Saving Rs. 24,500)*—In this case the administrative approval was not received till the close of the year and the amount had to be surrendered.
- (v) *Construction of one Unit accommodation at Peshawar/Bahawalpur/Multan/Hyderabad and Kalat (Saving Rs. 77,04,535)*—This saving was effected in the works to be executed at the places mentioned under the head lines indicated above as the Departments concerned took a long time to fix up as to what were their actual requirements and in communicating the same to the Public Works Department who had to execute the job and undertake the construction. If the Departments concerned had been more careful and had formulated its requirements and co-operated with the Public Works Department possibly the saving would have been much less and much more work could have been done in the course of the year than was done under the circumstances.
- (vi) *Additions and alterations to Village Aid Institute at Peshawar (Saving Rs. 3,00,000)*—The original grant in this case was Rs. eleven lakhs the whole of which was surrendered in two instalments of eight lakhs and three lakhs. As the sum of eight lakhs was surrendered in time technically the saving was deemed to be only three lakhs but in fact no work whatsoever was done and the entire amount

was saved or surrendered. The explanation given in this case was found by the Committee to be incomplete and therefore the Committee is still examining this matter and will consider it when it considers the report for the next year.

(5) The Committee then examined the explanation of the Administrative Departments in respect of savings of Rs. 91,53,074 between the modified grant and actual expenditure under head 81—Capital Accounts. Some of the works in respect of which the amount was unjustifiably saved and not utilised are given below:—

- (i) *Opening of Boys High Schools at Sanghar and Matli (Saving Rs. 2,62,900)*—No satisfactory explanation for this saving was furnished to the Committee. The Department should have taken steps to expedite the works so that these nation-buildings works should have been completed in time.
- (ii) *Construction of Residential Accommodation for Staff and Officers of Agriculture at Tandojam (Saving Rs. 3,00,000)*—The Committee was not satisfied with the explanation furnished by the Department for this saving. The work should have been expedited and completed in time.
- (iii) *Constructing New Central Jail Building at Bahawalpur (Saving Rs. 69,409)*—In this case work could not be completed because the site was not made available by the Department concerned, namely, the Home Department for the construction of the New Central Jail Building. This being so, the Communications and Works Department could not possibly complete the work. The Committee point out with regret that this was yet another case where an important work could not be undertaken because of the latches of the Home Department in not selecting the site for the construction of the building.
- (iv) *Providing Middle School at Feroza, District Bahawalpur, Upgraded to High School (Saving Rs. 28,400)*—In this case the administrative approval was not received from the Education Department for upgrading a middle school to a high school at Feroza in the District of Bahawalpur as a result of which this important work for providing education to the children could not be undertaken during the year under examination. The administrative approval was received in 1963-64 for this work. Although the amount of money involved was small but the Committee regretted the inconvenience and loss caused on account of this negligence of the Education Department for not acceding administrative approval at the proper time as a result of which this work could not be undertaken for about six years.
- (v) *Providing School Building in the backward area of Bahawalpur (Saving Rs. 15,000)*—In this case again a school building in the backward area of Bahawalpur, at a cost of Rs. 15,000, could not be constructed because of administrative approval not being available from the Education Department. The administrative approval for this work was given in 1960. Thus this important nation-building work, although entailing a small amount of expenditure, but still very important, could not be undertaken for several years because of the latches on the part of the Education Department in not providing administrative approval at the proper time.
- (vi) *Providing residential quarter in the college premises of Government College for Women at Montgomery (Saving Rs. 9,000)*—This was an item relating to the provision of residential quarter in the college

premises of Government College for Women at Montgomery. The amount involved was Rs. 9,000. The work could not be undertaken as the site was not handed over by the Education Department to the Communications and Works Department at the relevant time. This was also one of those cases where the work had suffered in the Department of Education, a nation-building department, on account of the site for work not being fixed up at the proper time.

- (vii) *Construction of Stores of Agriculture Department—(a) Constructing Store at Sadigabad (Saving Rs. 27,984), (b) Constructing Store at Khanpur (Saving Rs. 27,991), (c) Constructing one Class II Bungalow, one Agriculture Assistant Quarter at Khanpur (Saving Rs. 20,000), (d) Constructing District Level Agriculture Store at Bahawalpur (Saving Rs. 20,878), (e) Constructing District Level Agriculture Store at Bahawalpur (Saving Rs. 30,000)*—These items refer to works to be done for the Agriculture Department in Bahawalpur Region. All these works which could not be undertaken on account of the non-delivery of the sites to the Communications and Works Department by the Agriculture Department were nation-building works which would have been conducive to the preservation of agricultural products. Reasons as to why the Agriculture Department could not deliver these sites to the Communications and Works Department were not forthcoming. From the records produced before the Committee and from the assistance provided by the Communications and Works Department it was apparent that the sponsoring Department, namely, the Agriculture Department, took no interest in these works whatsoever by way of writing to the Communications and Works Department as to why and how these sites could not be made available to the Communications and Works Department. This by itself, if not the fact of not finding out the sites, amounted to an act of laches on the part of the Agriculture Department.

L—Education—

- (viii) *(a) Constructing Workshop building in Government High School to give technical bias to Education in Government High School, Multan (Saving Rs. 21,825), (b) Constructing Fibre testing (Cotton) Laboratory (Technology) at Multan (Saving Rs. 15,292)*—These items related to the building of a Workshop in Government High School, Multan, to give technical bias to Education and construction of Fibre Testing (Cotton) Laboratory (Technology) at Multan. These two works, amongst other reasons, could not be undertaken for want of administrative approval from the Education Department. These again were nation-building works although the amount involved in the case of (a) was Rs. 21,825 and in the case of (b) Rs. 15,292. The Committee points out with regret the tendency on the part of the sponsoring department to completely forget their duty in respect of pursuing and trying to push through the works for which the Legislature makes grants.
- (ix) *Constructing Maqsood Lora Road (See. Lora to Jabri) (Saving Rs. 60,014)*—The saving was due to the fact that whereas the land was taken from the parties concerned, the money was not paid to them because the award was not announced during the currency of the financial year. The record did not show whether the money was subsequently paid and, if so, when it was paid.

The Committee take this opportunity to point out that there were a large number of cases, where the property was acquired by Government from individuals for nation-building works. It was, however, of the utmost importance that com-

pensation was paid to the persons, whose property was taken, immediately and every care should be taken that the payment was not delayed. The Committee wished that the Secretaries of the Departments concerned, as also the Chief Engineers and all those who were responsible for acquiring land and making the payments, to make a note of this fact so that payments were made by them without avoidable delay.

II. Savings under head "70—Capital Outlay on Improvement of Public Health"
Rs. 5,69,985—The major work under this head related to Bulk Water Supply to Hyderabad and Shah Latifabad in which there was a saving of Rs. 4,16,130.

Three reasons were given for this saving of Rs. 4,16,130. The main reason was that the machinery and other equipment which were required for installation of filter plant could not be had during the financial year in question which was indented well in advance through D. G. S. and D. Karachi. The other two reasons were that there were difficulties in the supply of cement and that the clearing of Khadam Shah Tank was stopped due to the fact that the Contractor refused to execute the work in question on account of low rates of contract for which extra items were prepared due to which the work of clearing Khadam Shah Tank was held up. Mr. Hamid-ud-Din, the present Chief Engineer, Southern Region, explained that he was not the person who had done this work and that the work had been transferred to the Public Health Engineering Department since two years back. From the records available with him, he was not in a position to state as to what was the cost of this machinery and other equipment. Had the cost of machinery and other equipment been about Rs. 4,16,130 which has been saved, then the item would have stood sufficiently explained. But the cost could not be stated and the explanation was, therefore, not considered to be satisfactory. The two reasons of non-availability of cement and disagreement with the contractor regarding rates were also considered as not very convincing for the reason that no documents were produced to substantiate that there was non-availability of cement and the disagreement with the contractor over rates could not be settled within a reasonable time.

III. Saving under head "Irrigation—Capital" (Saving Rs. 10,05,00,021)—In this case the final grant was Rs. 24,70,79,210, out of which a sum of Rs. 8,69,11,430 was surrendered by the department and thus it was claimed that the grant was reduced to Rs. 16,01,67,780. A point was raised by the Finance Department that normally the Committee had no jurisdiction to go into this question or to ask for explanations regarding such surrenders. This point has been dealt with at length earlier. The Committee decided that the Public Accounts Committee had jurisdiction to go into these questions and ask for explanations regarding such surrenders. But as for the saving under consideration, the Committee felt that there was a considerable force in the argument of Mr. A. R. Kazi, Secretary, Irrigation and Power Department that the Department, being under the impression that these explanations were not to be submitted to the Public Accounts Committee, did not furnish them till now, although they had supplied it to the Finance Department. The Committee on the one hand wished to examine these explanations but they had no time in their hands to postpone the report and, therefore, the Committee decided that this matter may be kept pending and the department concerned should submit their explanation to the Audit for their scrutiny and the audit may include this item in the Appropriation Accounts for the year, 1964-65, if it considered it worthwhile for the examination of the Public Accounts Committee.

IV. Saving under grant No. 18—Scientific and Miscellaneous Department—1—Miscellaneous—1.2—Libraries (Saving Rs. 24,823)—In this item the position originally taken up by the department was that there was a saving of Rs. 24,823, which was due to the fact that books meant for libraries in West Pakistan could not be purchased. Out of this amount, it was stated that a sum of Rs. 16,333 related to the Hyderabad Region and the remaining amount to the rest of West Pakistan. Later the contention of the department was that actually the amount of money for Hyderabad was Rs. 2,244 and not Rs. 16,333 as contended earlier. The Committee

decided that if this statement was verified and confirmed by the Comptroller of Southern Area, Karachi, the item should be treated as dropped. But in case the figure was not accepted by the Comptroller, the Accountant-General should take up the matter with the Education Department and bring the matter during the deliberations on the accounts for the next year. The Secretary, Education Department, who appeared on behalf of the department, was in full agreement with the Committee that the amounts earmarked for the purchase of books for libraries should have been utilised and best efforts made to utilise the amounts during the currency of the year in question.

V. Saving under Grant No. 22—Agriculture (Saving Rs. 3,62,14,715)—(1) The original grant was Rs. 6,77,55,810 which was modified to Rs. 4,77,34,940. The modification was due to the fact that funds were not made available by the Central Government to the Provincial Government. The question which arose was whether these funds were not released by the Central Government to the Provincial Government on account of non-availability of funds or on account of the fact that the scheme prepared by the Provincial Government was so defective that it could not receive the approval of the Central Government and therefore, the funds could not be made available. The Committee was not satisfied from the facts placed before it as to what were the real reasons for the Central Government for not making these funds available. Mr. S. M. Nasim, Additional Finance Secretary, who was advising the Committee was not in a position to state whether these funds were withheld by the Central Government on account of defective scheme or on account of paucity of resources. All that he could state was that these funds were not made available by the Central Government to the Provincial Government. This required a further probe. If the sum of Rs. two crores was withheld by the Central Government on account of defective schemes being prepared by the Provincial Government resulting in the loss of such a large amount to the Province, the matter was serious enough.

(2) Out of the modified grant of Rs. 4,77,34,940, a sum of Rs. 3,14,41,095 was spent during the year and a sum of Rs. 1,62,93,845 again remained unspent. The Joint Secretary, Agriculture, stated that sum of Rs. 1,31,73,930 was the price of Ammonium Sulphate which was purchased during the year but the debit was not raised by the Central Government in time during the year and, therefore, it could not be adjusted during the year. The remaining amount, it was stated, remained unutilized because a sum of Rs. 5,79,000 which was to be spent on the salary of staff could not be spent because the staff could not be recruited as the Public Service Commission could not select suitable persons for appointment. It was further stated that a sum of Rs. 8,40,568 could not be spent because cotton seed and other improved seeds of the required standard were not available in the market during the year. These two explanations did not satisfy the Committee. The department could not produce any document to show that cotton seed and other improved seeds of the required standard were not available in the market during that year. Similarly, the department was not able to produce any document to show that suitable candidates were not available. The Committee is of the opinion that it was really unfortunate that such large sums of money allocated to a top nation-building department, like the Agriculture Department, should have remained unutilized, and recommend that the Accountant-General should look into this question and verify as to how far this explanation was justified.

VI. Saving under grant No. 39—Miscellaneous—Head “57—Misc—A—Cost of books and Periodicals” (saving Rs. 28,023)—Under this head there was a saving of Rs. 28,023 out of total grant of Rs. 50,000. This money was meant for the purchase of official publications by several Government Departments. The Committee point out with regret that, Secretary, Agriculture Department, West Pakistan, the Registrar, Co-operative Societies, West Pakistan, the Secretary, Health

Department, West Pakistan, the Secretary, Food Department, West Pakistan, the Director, Civil Defence, West Pakistan, the Director, Labour Welfare, West Pakistan, the Secretary, Education Department, West Pakistan, the Inspector-General of Police, West Pakistan, the Secretary, Home Department, West Pakistan, the Secretary, Water and Power Department, West Pakistan, the Commissioner, Lahore Division, the Rehabilitation Commissioner, West Pakistan, the Commissioner, Bahawalpur Division, the Commissioner, Khairpur Division, the Commissioner, Hyderabad Division, the Commissioner, Kalat Division, the Commissioner, Peshawar Division, the Commissioner, Dera Ismail Khan Division, the Chairman, Road Transport Authority, West Pakistan, the Chief Game Warden, the Secretary, Communications and Works Department, West Pakistan, the Controller, Printing and Stationery, West Pakistan, had either made no expenditures at all on the purchase of these books or made purchases worth quite a few rupees. The Committee is of the opinion that no progress could be made in the country, if the officers, to whom grants for books are made for their information being brought up-to-date, do not purchase books and thus do not afford an opportunity to their subordinate officers to brush up their minds with the progress all around and the requirements of the country all around them particularly from the point of view of their own department. The Committee recommend to Government to draw the special attention of these officers towards this.

VII. Saving under Grant No. 26—Industries (Saving Rs. 57,89,591)—Under this head there was a grant of Rs. 1,53,65,810 out of which Rs. 92,76,219 was spent and there was thus a saving of Rs. 57,89,591. Secretary, Industries, Commerce and Mineral Development Department, pointed out that the modified grant under this head was Rs. 1,08,56,500 out of which Rs. 93,83,431 was spent and there was a saving of Rs. 14,73,069 only. Out of this saving of Rs. 14,73,069, reasons for the saving of Rs. 11,55,805 had been explained to the satisfaction of Audit. Therefore the Committee did not go into that. The Committee considered the saving of Rs. 3,17,264 only. Secretary, Industries, Commerce and Mineral Development Department stated that the administrative approval for the expenditure was issued by the Department with the concurrence of Finance Department in about July 1957, but as the work was new, certain officers were to be entrusted with certain responsibilities which could not be done without the concurrence of the Finance Department and from September onwards that Department started writing to the Finance Department to agree to the declaration of the said officers to be the drawing and disbursing officers. This matter was decided on 19th March 1958 with the result that the money could not be utilized. In the opinion of the Committee there was an initial delay of 3 months in the issue of administrative approval; then the Department took two months to make representations to Finance Department regarding declaration of drawing and disbursing officers, thereafter protracted correspondence ensued and went on for six months and at last the very first proposal, namely that a certain class of officers should be declared as drawing and disbursing officers was accepted. But this was done as late as 19th March 1958, with the result that the money could not be utilised during the financial year. The Committee point out with regret that this huge amount could not be spent and thereby utilised for nation-building purposes on account of two departments sitting on technicalities and formalities and Finance Department ultimately accepting that which was proposed in the beginning and all this delay was made to the detriment of the progress in the country.

VIII. Saving under Grant No. 27—Capital Outlay on Industrial Development (Saving Rs. 58,08,210)—Under the head "27—Capital Outlay on Industrial Development" there was a saving of Rs. 58 lacs out of which, according to the Department, a sum of Rs. 50 lacs could not be spent during 1957-58 due to difficulties in the appointment of its Chairman and the constitution of the Board of Directors of the Mineral Development Corporation and the remaining saving of Rs. 8 lacs was due to non-raising of debit which was a technical accounting matter. It was, further stated

that the Mineral Development Corporation which was to be set up in that year could not be set up at all. The Committee is of the opinion that the Mineral Development Corporation was one of the important industrial activities that a country could think of. If proper efforts had been made to find out suitable persons to act as Chairman and to serve on the Board of Directors it would have been quite possible to do so. This single instance is quite illustrative of the political scramble at the time which had led to this unfortunate position.

IX. Saving under Grant No. 38—Stationery and Printing (Saving Rs. 41,42,168)
Under this item goods were to be purchased from abroad through the Director-General, Supplies and Development but it was not done till October. The orders placed in October were certainly belated orders. The Department should have taken care to place these orders much earlier. The saving was due to the fact that the goods did not arrive during the year and payments were not made during the year. The Secretary, Industries, Commerce and Mineral Development Department promised to look into the question and take serious action against the persons who were responsible for placing the orders late with the result that the amount could not be utilised during the year.

X. Saving under Grant No. 2—Opium (Saving Rs. 15,97,863)—In this case there was a total grant of Rs. 18,98,600 meant principally for the purchase of opium. Out of this amount there was a saving of Rs. 15,97,863. Mr. B. A. Qureshi, Member, Board of Revenue, explained that in that year the department had very recently taken over from the Centre, the subject of opium and also there was a bad crop. He confessed that the saving was partly due to bad budgeting also. The Committee was satisfied with the first two explanations. As regards bad budgeting the Committee is of the opinion that it could be avoided by a little more care and hope that more vigilance would be exercised by the department in future.

XI. Saving under Grant No. 20—Health Services (Saving Rs. 45,35,624)
In this item there was a saving of Rs. 45,35,624 out of the grant of Rs. 3,81,00,710. The Secretary, Health Department, explained that out of this amount a sum of Rs. 26,11,350 was surrendered as the Department could not appropriate the same on account of the non-availability of staff and the remaining about rupees nine lakhs could not be spent as part of the money meant for the purchase of equipment which could not be purchased on account of procedural delays and the remaining amount of Rs. 6,45,000 could not be spent as this amount was meant to be spent on the salaries of the staff which could not be recruited. He could not say as to when the necessary advertisements for recruiting this staff were published nor he was in a position to say as to when the Department made a requisition to the Public Service Commission for that part of the staff which the Department had to recruit through the Public Service Commission. He was also unable to inform the Committee as to when his department made the indent on the purchasing department for the supply of stores in England which could not be made on account of procedural delays. This being so, the Committee found the explanation submitted to it devoid of particulars. As the Health Department was a nation-building department, savings in this department had to be looked at with extreme dissatisfaction unless a very satisfactory explanation was available for the non-expenditure of the amount earmarked by the Legislature for health-building services. The Committee was anxious to find out full and proper justification for the non-expenditure to satisfy itself regarding the capabilities of the spending authorities in respect of proper disbursement of the funds placed at their disposal for running this department but the Committee did not have time at its disposal to allow the Health Department further time to dig out these important particulars and, therefore, decided that the Audit should take it up with the Health Department and if the Audit was not satisfied with the explanations the matter be placed before the Committee when it examines the accounts for the year, 1958-59.

~~Excess or
penditure
over voted
grants.~~

9. (1) The Committee scrutinised the following excesses over voted grants mentioned in paragraph 8 of the Audit Report—

Serial No.	Number and title of the grant	Final grant	Expenditure	Excess
		Rs.	Rs.	Rs.
1	5—Stamps	3,62,240	3,96,530	34,290
2	10—Irrigation Works	6,15,51,700	6,98,74,795	73,23,095
3	14—Administration of Justice	67,81,800	69,19,003	1,37,203
4	29—Civil Works	4,18,02,600	6,16,82,023	1,98,79,423
5	30—Buildings and Roads Establishment charges.	1,45,02,310	1,46,09,193	1,06,883
6	31—Electricity Schemes Working Expenses.	3,75,10,510	3,86,88,520	11,78,010
7	36—Privy Purses and subsidies, Superantuation Allowances and Pensions.	1,74,24,380	1,86,75,639	12,51,559
8	43—Capital Outlay on Provincial Schemes of State Trading.	41,35,60,460	44,42,03,663	3,06,43,203
9	47—Suspense	44,05,02,000	75,66,47,120	31,61,45,120

(2) Explanations of the Departments concerned for the excess expenditure shown against serial Nos. 1, 2, 3, 6 and 7 were satisfactory and the Committee recommends that necessary grants to regularize these excesses over the voted grants may be made by the Governor under Article 235 of the Constitution.

(3) At this stage the Committee would like to point out that the Irrigation and Power Department had incurred an excess expenditure of Rs. 73,23,095 mentioned against serial No. 2 above on account of works necessitated by unusual floods. The Department urged that this excess was due to the fact that the Finance Department did not grant them that amount of money which they required and which they had demanded for carrying out the works that were absolutely necessary for repairs on account of unusual floods and which in their view, if not attended to, would have lead to disaster and a great national loss and that if the Department would not have undertaken these works, the amount spent in excess would have borne no proportion to the actual loss that the nation would have suffered. The Committee called upon the Finance Department to explain as to what were the reasons for their turning down this additional requirement from the Irrigation and Power Department which appeared to be so well based and for such a laudable object. Mr. S.M. Nasim, Additional Finance Secretary, who appeared on behalf of the Finance Department, did not make any attempt to satisfy the Committee as to what were the reasons which impelled them to turn down this demand. He took up the question of law and procedure. His contention was that the Finance Department was under no obligation to answer this question to the Committee because it was their absolute jurisdiction, even if, to take a very extreme case, they had to turn it down perversely against the national interest. The Committee has already dealt with this point earlier. In the

Committee's opinion, there was a duty cast on the Finance Department to apply its mind to the exigencies of the situation and to see to it that suitable grants by way of supplementary grants were made available to the Department which required them in cases of emergency. In the present case the Committee was satisfied that it was a case of emergency. If the Finance Department could have come out with reasons and would have tried to satisfy the Committee as to the grounds on which they were not satisfied with the genuineness of the demand and turned it down the position would have been different. But it took the stand that it was just not liable to explain to the Committee. The result was that no explanation was submitted by the Finance Department on this question. The Committee considered the view taken by the Finance Department on this question wholly wrong and observed that this Department should have explained the position to the Committee. One other point was raised by Mr. S.M. Nasim, Additional Finance Secretary, to the effect that as the Finance Department must have explained its point of view to the Council of Ministers while processing the supplementary grant on its way to the Legislature, it would be deemed to have sufficiently discharged the duty cast upon it by law in so far as the question whether it had applied its mind to the subject or not was concerned. The Committee did not agree with this. It was for the Committee to examine the wisdom, the propriety, the legality and the position taken by the various Departments in all matters of expenditure, savings, surrenders, appropriations and re-appropriations. The Committee could not divest itself of this jurisdiction vested in them by long usage and practice.

(4) No explanation was submitted to the Committee by the Department concerned in respect of excess expenditure of Rs. 1,06,883 mentioned against serial No. 5 above.

(5) Under Head "43 Capital Outlay on Provincial Schemes of State Trading", there was a total grant of Rs. 41,35,60,460. A sum of Rs. 44,42,03,663 was shown to have been spent resulting in an excess expenditure to the extent of Rs. 3,06,43,203 shown against serial No. 8 above. The Food Department explained that a sum of Rs. 6,04,50,000 relating to Head "Advances" which had been booked under this Head did not actually relate to it and after deducting this amount there was in fact a saving of Rs. 2,98,06,797. The position therefore is that whereas originally it appeared that there was an excess expenditure of rupees three crores, in fact there was a saving of roughly about three crores. As the saving was less than ten per cent, no explanation was necessary.

(6) There was an excess expenditure to the tune of Rs. 1,98,79,428 under head "50-Civil Works" shown against serial No. 4 above. Following explanation was furnished by the Communications and Works Departments for this excess expenditure :—

(i) Out of the total excess of Rs. 1,98,428 a sum of Rs. 190,371 was excess expenditure on Original Works (Buildings). This matter was first considered by the Committee in April,—May, 1964 when it was made to appear that the Communications and Works Department had not submitted any explanation worth while to the Audit Department to scrutinise and come to a conclusion regarding the regularity and propriety or other wise of the above excess expenditure. Considering the fact that the amount involved was very large and it was necessary to have the sum scrutinized by the Audit, the Communications and Works Department was given another opportunity to prepare their explanation and to submit it to the Committee through the Audit to be considered by the Committee at a subsequent meeting. The Communications and Works Department submitted the following explanation to the Audit on the 16th July, 1964:—

"This head records expenditure of various Nation Building Departments like Health, Education, Agriculture, etc. Following the establishment of West Pakistan Province, a number of offices came into existence. There were pressing demands of various departments requesting the Public Works Department

to carry out various minor works for additions and alterations from time to time. There were also other demands of emergent nature coming from the Public Health Institutions like Hospitals, T.B. Sanitorium to carry out changes in electric installations etc., in order to enable the functioning of newly installed apparatus, machinery in the buildings. Certain emergent works had also to be carried out in Public Offices like Secretariat to provide additional office accommodation for the staff. Also various additions and alterations had to be carried out to residences to be provided by Government for the Ministers etc. Compared with the total grant of about Rs. 10.68 lacs provided for original works of all Departments the excess expenditure is small. It may be pointed out that various Departments like General Administration, etc., who desired such emergent minor works to be carried out have to process such cases immediately to cover the increased expenditure. It seems that the various Departments failed to process such cases in time before the submission of budget returns."

Mr. Rafiq Inayat, C.S.P., Secretary Communications and Works Department, stated that the explanation submitted was quite sufficient. The Committee could not agree with him. The Committee considered that the explanation submitted was devoid of all particulars and was a bald statement of generalizations without giving particulars of the works and the amount spent on them and the reason in each case for excess expenditure. The Committee was of the opinion that expenditure could be justified on the ground of the Department being made to spend under stress of circumstances over which it had no control to secure a result which could not otherwise be obtained but no such circumstances were pointed out to the Committee. The Committee made it clear to the Secretary, Communications and Works Department, that the Department was in the first instance required to submit its explanation to the Audit for their scrutiny and if the Audit were satisfied with the explanation the matter would not come up before the Committee; and that the matter could come before the Committee only if the Audit Department were not satisfied with the explanation. The Committee found that the Department had, in fact, given no explanation whatsoever to the Audit to apply their mind to the question whether the excess expenditure was rightly or wrongly incurred and whether it was justifiable. The Committee found the explanation now furnished to themselves, to be wholly unsatisfactory and felt that the valuable time of the Committee had been wasted on account of the failure of the Communications and Works Department to have given the explanation to the Audit in the first instance and to have realized its duty towards the Committee. The Committee is of the opinion that this was a very extreme case in which inspite of giving an opportunity to the Department, the Department failed to avail of the opportunity, and had, in place of offering an explanation, produced generalizations which could hardly be called explanation. In the circumstances, the Committee recommend that the Department should now submit a properly detailed explanation to the Audit so that the matter may be considered by the Committee alongwith the accounts for the next year.

(ii) Under Head 'Repairs Buildings' a sum of Rs. 67,79,600 was granted in the budget. The expenditure, however, was Rs. 81,21,922 and thereby there was excess expenditure of Rs. 13,42,322. The Secretary Communications and Works Department informed the Committee that the procedure for these grants was that each Regional Chief Engineer presented a lump sum demand on the basis of a certain percentage, approximately about 1½ per cent of book value of all the public buildings in his areas for which he was carrying on the repair works; that all the demands from various Chief Engineers were totalled and then they were sent up to the Finance Department which allowed only a part of the demand worked out on that basis; that a large number of these buildings which needed repairs, were old buildings; that while the work of repairs of such buildings was extensive, the amount worked out on the basis

of 1½ per cent came to be less than what was required to do even such necessary repairs as might keep the building intact. The explanation which was submitted to the Committee and which formed part of the working paper made out other grounds which were mostly generalizations and bald statements like those given under the previous head—Original Works. The Committee was inclined to reject these explanations on the same score as the Committee had rejected the so-called explanations under the previous head. The Committee strongly felt that the explanations of the Department have got to go to the Audit first who have to scrutinize the same and then they have to come up before the Committee for examination, if necessary. This is what was required by the rules and this was the only way in which the work of the Committee could be carried on because the Committee could not possibly be expected to do the original work of looking up the records and finding out the correct position and doing all the rest which was supposed to be done by the Audit. In this case, however, the Committee found that the Communications and Works Department, the Finance Department, as also the Audit Department agree with the method by which the grant for repairs was made. That being so, the Committee felt that there might be enough justification for excess expenditure under this head, taking into consideration the fact that when work was actually carried out on the spot and if the building was found in such a tottering condition that if sufficient work was not done on it, it might collapse, it remains the duty of the Works Department to carry out the work in the interest of the Nation and the Province. The Committee therefore accepted the explanation. The Committee, however, was of the opinion that the Communications and Works Department should always come out with details as far as possible where excesses have taken place. The Committee visualised that even under this head if the Communications and Works Department was more cautious it would have been able to give at least a few dozen specimen cases where circumstances of buildings could have justified more expenditure on those buildings by way of repairs than what was warranted on the basis of a fixed percentage on book value. By taking the Committee into generalisations the Committee is practically put into the position of either rejecting or accepting the irregularity without all the facts being sifted and brought before it through the Audit. Mr. Rafiq Inayat, Secretary, Communications and Works Department pointed out that his statement that the repairs estimates were prepared on the basis of 1½ percent of the book value of the buildings, was approximate and was based on the practice prevailing in the Department.

(iii) Under the head "Repairs Communications" a sum of Rs. 1,82,71,000 was granted. The expenditure incurred was Rs. 2,27,84,586, i.e., there was an excess expenditure of Rs. 45,13,586. The first point made out by way of explanation was that "the West Pakistan Province had inherited a huge additional mileage of non-strategic roads in ex-Baluchistan Province, namely, 504 miles of black top roads, 1610 mile of shingle road and 185 miles of Kacha road. The Central and Provincial Government had not arrived at any decision regarding the provisions of funds for maintenance of these roads". Afterwards another point with respect to roads in Bahawalpur was made. Mr. Rafiq Inayat, Secretary, Communications and Works Department supplemented it by making a statement to the effect that the amount granted in the Budget did not provide for the maintenance of these roads and that the Department had maintained these roads thereby resulting in an excess in expenditure. This was a statement of facts. As observed by the Committee in the previous paragraphs, these facts should have gone to the Audit who could have checked it whether estimates for repairs to these works had been furnished to the Finance Department and whether the cost of repairs to these roads was included in the budget grant or not. At this stage it was not possible for the Committee to do this original work. The Committee recommend that Department should furnish the detailed explanation regarding these roads to the Audit for scrutiny and then place it before the Committee alongwith the accounts for the next year.

The rest of the explanation submitted by the Communications and Works Department was based on the proposition that they had asked for a sum of

Rs. 3,21,65,000 and they were granted R. 1,82,71,000, and therefore, their case was that they were forced to incur excess expenditure. The Committee was of the view that this agrument, without providing the details of the work, the necessity and stress whereunder there was excess expenditure, was of no value.

(7) Under head "Suspense" shown against serial No. 9 above, the excess expenditure was to the extent of Rs. 31,61,45,120. Out of this excess expenditure, a sum of Rs. 1,38,33,149 related to the year under report and the remaining amount was brought forward from past years. Details of this account, region-wise, were not furnished to the Audit as a result of which it could not be the subject of Audit scrutiny. The explanation that was furnished to the Committee was bald and devoid of particulars and the Committee was not satisfied with it. Mr. S.M. Nasim, Additional Finance Secretary, stated that he would look into it and have it verified, in consultation with the Audit. In passing, the Committee could only observe that the hanging on of such large amounts of money in suspense account was extremely undesirable.

Excess over charged Appropriations.

10. (1) The Committee examined the following excesses over charged appropriations stated in paragraph 9 of the Audit report and recommends that the excess under serial No. 2-5 may be regularized by the Governor under Article 235 of the Constitution. No explanation was furnished to the Committee in respect of excess expenditure shown at serial No. 1

Serial No.	Number and title of the Appropriation	Final Appropriation	Expenditure		Excess
			Rs.	Rs.	
1	1—Salt	1,40,143	1,40,143
2	Debt Services	..	6,27,18,700	6,93,22,399	66,03,699
3	14—Administration of Justice	..	22,38,810	23,02,248	63,438
4	29—Civil Works	..	2,50,300	4,92,985	2,42,685
5	Public Debt—Discharged	..	15,59,26,400	19,33,88,040	3,74,61,640

(2) As regards the excess under head "50-Civil Works" the Director of Audit and Accounts (Works) pointed out that under the Allowances and Privileges (Governors) Order, 1952, G.G.O No. 7, dated the 26th July 1952, it has been prescribed in paragraph 7(b) thereof read with Schedule V thereto that a maximum sum of Rs. 2,15,500 shall be provided for the improvement and maintenance of official residences of the Governors of Punjab, Sind and N.W.F.P., which after Integration would mean, for the improvement and maintenance of the official residences of the Governor of West Pakistan; that a grant of Rs. 2,50,300, instead of Rs. 2,15,500, was made and a sum of Rs. 4,92,985 was actually spent that is to say, a sum of Rs. 2,42,685 has been spent in excess of the modified grant and a sum of Rs. 2,77,485 had been spent in excess of the limit fixed under the said Order. The implications were that the modified grant was in excess of the maximum limit provided by the Order to the tune of Rs. 34,800 and the amount actually spent in excess of the limit prescribed in the order was to the tune of Rs. 2,77,485 as stated above. The Committee was satisfied with the explanation given by the Communications and Works Department. This excess of expenditure obviously was necessitated by work which were considered necessary to be done under the circumstances. The Committee however points out that the irregularity is obvious and quite patent and should be regularised by obtaining the Orders of the President, who is the proper authority to raise the limit.

10. The Committee examined the irregularities pointed out in para. 17 of the Audit Report. The result of this examination will be found in the proceedings of the Committee which are in the Annexure. The Committee, however, points out the following typical cases :—

irregularities

Page 12, para. 17 (a) (1) of the Appropriation Accounts—Ordinarily no work can be started unless a properly detailed estimate has been sanctioned by the competent authority. In emergent cases, the Divisional Officers can start works without waiting for the sanction to the detailed estimates but in such cases they are required to intimate to the Audit the extent of liability to be incurred by them in anticipation of technical sanction to the estimates. In disregard of this procedure 8049 works relating to Irrigation, Buildings and Roads and Electricity Departments were carried out at an expenditure of Rs. 14,88,65,926/- . Details of some of the major work commenced in anticipation of technical sanction to estimates for which detailed estimates were not sanctioned are enumerated at page 13 of the Appropriation Accounts. A large number of cases in which works were executed in anticipation of technical sanction to estimates in past years were also pending regularization. The Committee drew the attention of the Administrative Departments to the fact that it was of the utmost importance that all these cases were regularized and technically cleared. The Administrative Secretaries pointed out that a large number of such cases have since been cleared and assured that they would continue their efforts to clear them with utmost expedition and hope that by the time, the Committee considers the accounts for 1958-59, a major part of this lag would be cleared.

Expenditure
on Works in
anticipation
of technical
sanction to
estimates

II. —(i) *Excess payment of Rs. 3,64,814 (by Food Department)*. *Page 39, para. 22 (i), of the Appropriation Accounts*—The register of deposits in an office of the Food Department showed excess refunds to the extent of Rs. 3,64,816/- to various suppliers of food grains. Out of this, a sum of Rs. 21,300/- has been regularised. The Food Department could not give any satisfactory explanation about the balance. Secretary Food stated that the Deputy Director, Food, Hyderabad Region, was on the job to conduct an inquiry and to fix responsibility but the records were not available. The Committee was wholly dissatisfied with this explanation. In the opinion of the Committee it should have been quite possible for the Department to know as to how the records disappeared, who were the persons responsible for the disappearance of the record and even if the food grains Board had been dissolved, some of the officials who were responsible for the running of this Board must be serving in some other Government Departments and even if they were not serving they must be alive and therefore, if a sincere effort was made to trace the culprits, the Committee did not see any reason why no head way should be made. It might be that the entire amount cannot be traced and the responsibility in full might not be pinned on each and every one of those who were responsible for it but some of the officers could be found out. The Committee was not satisfied that the Department had taken enough pains to conduct an inquiry and fix responsibility on the officials who were responsible for this serious neglect of their duty resulting in a loss to the public exchequer. As the Committee, did not have time to look into this matter further before the report is finalized it decided to consider this matter along with the accounts for 1958-59.

Excess pay-
ments

The Committee desired that the Food Department should take a very serious view of this matter and expect that Department to come before it with complete details explaining as to what were the efforts they made in this respect. The Committee further expected the Department to be able to find out the culprits.

(ii) *(Page 25, item No. 17 (8)(3) of the Appropriation Accounts)*—In this case a portion of the work of excavation was given out to a contractor in Malakand Division by the Public Works Department, Malakand, at 112/8/- per thousand cubic feet while another portion of the same work was allotted to another contractor at Rs. 171/- per thousand cubic feet. Thus Rs. 58/8/- per

Excess pay-
ment of Rs.
74,000/-

thousand cubic feet for the same work was paid in excess to the latter contractor resulting in an excess expenditure of Rs. 74,691/- . The reasons for giving the contract at higher rate appeared to be political although Government of Pakistan, Ministry of States and Frontier Regions in their letter No. 9(153-F-47), dated the 2nd April, 1949 to the address of the Chief Secretary to Government of former N. W. F. P. directed that contracts at higher rates should not be given on political reasons and that in case where the contractor does not undertake the work at the rates offered, the sanctioning authority is at liberty to put the contract to open tender or take such action as is considered to be in the best interests of the Government. In the present case, the Dir Contractor had made application for higher rates namely 140 per cent above the scheduled rate which was recommended by the Political Agent and the Chief Engineer had acted on that recommendations while giving a contract. Secretary, Home Department, drew the attention of the Committee towards the situation then prevailing in the area, the difficulty of employing contractors and the inevitability of having to appoint the Rulers of the States of Dir and Chitral for the completion of these works. In this context the Committee is of the opinion that although there was an irregularity in granting a higher rate to the contractor, no further action was necessary.

Excess payment of Rs. 1,478

(iii) (Page 37, para. (18) of the Appropriation Accounts)—In this case, books worth a certain amount which was not material were purchased from a certain book-seller and the invoice prepared mentioned all the books and a total price was struck against them. But while supplying the books, the book-seller scored out books worth Rs. 1,478/- from the bills and did not supply them with the result that a sum of Rs. 1,478/- was paid to the book-seller on account of books which were not supplied. It was urged on behalf of the Department that the officer who was appointed to enquire into the matter had reported that nobody was responsible for this loss. The Committee advised the Education Secretary to fix responsibility and take action against the official concerned and arrange recovery of the amount. The Secretary Education informed the Committee in the next meeting that the clerk concerned was absconding and the Principal of the College had been screened out. In view of this no further action was possible.

Non-recovery of Government dues

III. (i) *Non-recovery of penalty from contractors and suppliers (Page 39, para (23) of the Appropriation Accounts)*—Cases were noticed where certain contractors failed to supply commodities on the dates prescribed in the contract thus rendering themselves to various penalties for delay. No such penalties were however imposed in cases where the contractors delayed the supplies in contravention of the contractual obligations. The Secretary Food Department, stated that the Department was now making efforts to realise these penalties and some progress was made. As the Committee did not have further time to give to the Department to clear this item, it was decided that this matter should also be placed before it alongwith the explanations of the Department in respect of irregularities appearing in the Appropriation Accounts for 1958-59. The Committee recommended that the Food Department should ensure that every effort was made to realise or regularise all these penalties and to come before it prepared with the details of the efforts made by them and the Committee made it clear that it would not be satisfied by mere statements that they had done all that they could and that the efforts bore no fruits. In case, the penalties or any part of them is waived, the Committee should be informed as to what were the reasons for the waiver.

Non-recovery of dues from wheat Agents

(ii) (Page 40 para (26)(IV) and (V) of the Appropriation Accounts)—(1) In an office of the Food Department an agency was given to a Zamindar for procurement of wheat during the year 1954-55. Ninety per cent advance payment was made to him. The agent made a short supply of 600 bags of 2½ maunds each and at the same time failed to return 5,400 empty bags. The remaining 10 per cent payable amount, security deposit, commission and the

quality allowance as payable on the goods supplied were found insufficient to make good the recovery approximately amounting to Rs. 29,000. The defaulting contractor filed a civil suit against the Government praying that the money was not payable by him. The Committee deferred consideration of this item till the suit is decided.

(2) During 1958-59 and 1959-60 in an office of the Food Department a penalty amounting to Rs. 5,99,500 at Rs. 1/8/- per maund in case of rice and Rs. 1/8/- per maund in case of wheat was recoverable from the contractors for failure of supply in terms of their agreement. Another case of recovery of Rs. 2,745/- on account of damaged gunny bags remained unsettled with a certain jute mill since November, 1958. These amounts were not realised and have been waived by Government. The Committee desired that reasons for this waiver might be intimated to the Committee when it considers the explanation of the Department in respect of items included in the Appropriation Accounts for 1958-59.

(iii) (*Page 24, para 17 (a) 17 (1) and (2) of Appropriation Accounts*)—

(1) In the first case rent amounting to Rs. 9,621/- was to be recovered out of which a sum of Rs. 5,225/14/- has been recovered and the balance of Rs. 4,395.2 was to be recovered from the Hindus who migrated to India.

Non re-
covery
of rents

(2) In the second case a sum of Rs. 64,893/00- was to be recovered as outstanding rent out of which a sum of Rs. 52,991/- has already been recovered and the balance of about Rs. 11,902/- is still outstanding. The Committee desired that the Department should continue its efforts to recover this amount.

(iv) (*Pages 173-74, para 9 of Appropriation Accounts*)—Under this head a sum of Rs. 53,137/- has to be recovered on account of shortage of material from the defunct Public Health Division for the year 1957-58. It was stated on behalf of the Department that except for a sum of Rs. 7,067.00 the rest of the amount was settled; that the amount of Rs. 7,067.00 was due from Messers Akhtar Ali and Masood Akhtar, Overseers. The Committee recommend that the money should be recovered and the item be cleared by the Department with the Audit and if it is not cleared, the matter should be brought before the Committee when it considers the accounts for the year 1958-59.

Delay in
recovery of
cost of
material
found short

(v) (*Page 29, para (26) (i) of Appropriation Accounts*)—In this case out of Rs. 1,18,100.00 for which the culturable plot in Pond areas were leased out for fix crops from Kharif 1956, Rs. 36,900.00 was recovered from the lessees from their earnest money. The recovery of the balance was delayed considerably. There had been a lot of bungling in the recovery of the balance at all levels including the level of the then Minister who issued orders of stay and which orders of stay remained in force long long after they had lost all value. Secretary, Irrigation and Power Department stated that only a sum of Rs. 28,000.00 was still due for which action was being taken under the West Pakistan Government Dues Recovery Ordinance, 1962.

Non-reco-
very of
Rs. 81,200

(vi) (i) *Shortage of Timber worth Rs. 10,997.00 (Page 15, para 17 (a) (3) (4) of Appropriation Accounts)*—In this case timber worth Rs. 10,997 was noticed to have been stolen in 1954-55. The Audit made its observations and when the matter came up before this Committee in its meeting held on 1st October, 1963, the Committee decided that a report be asked from the relevant Department as to what disciplinary action, if any, they had taken therein and if no disciplinary action was taken whether any disciplinary action was contemplated and the reasons for taking no action upto then. The Secretary to Government Communications and Works Department then called upon the Chief Engineer, Bahawalpur, to make an inquiry. The Chief Engineer concerned did hold the inquiry and submitted his report bringing out the fact that further action could be taken by the Chief Engineer, Lahore and accordingly the papers were forwarded to the Chief Engineer, Lahore. The Chief Engineer, Lahore who appeared before the Committee informed the

Shortage of
Stores

Committee that he has again started inquiry into the facts and he has handed over the papers to the Superintendenting Engineer for his report. The Committee disagreed with the procedure of endless reports in a case of theft and pilferage which took place as far back as the year 1954-55. The Committee observed that it expected action against the delinquents. In the opinion of the Committee this was one of those cases which illustrate how even in suitable cases action is delayed and delayed for decades till action almost becomes impossible. The Committee felt quite helpless in the matter in as much as it did all that it could do by drawing the attention of the Department at its meeting held on 1st October, 1963 and desiring that the matter be cleared up. The Committee hoped that the Chief Engineer, Lahore, will take firm and suitable action and be able to report the result to the Committee when it meets to consider the accounts for 1958-59.

Shortage of stores worth Rs. 2,16,364/- 14.

(ii) (*Page 15 para. 17 (a) 3 (7) of Appropriation Accounts*)—Shortage of Stores worth Rs. 2,16,365-00 was discovered against an overseer in November and December, 1958. Out of it a sum of Rs. 81,283 could not be recovered till now. The Committee recommended that the Department should take steps to have the money recovered and also try to fix responsibility of the persons who were responsible for it and take suitable action against them.

(iii) *Shortage of material worth Rs. 9,149.* (*Page 15 para. 17(a) 3(8) of Appropriation Accounts*)—In this case material worth Rs. 59,149/- was found short. A sum of Rs. 3,948/- has been recovered. The attention of the Department was drawn to expedite the recovery of the balance and fix responsibility and take suitable action against the persons concerned. The Committee was informed that five overseers were responsible for this bungling. The Committee recommended that the case of each individual overseer should be examined and exemplary punishment given to those who are found guilty.

(iv) *Shortage of Stores worth Rs. 13,000-00.* (*Page 15, para 17 (a) 3 (9) of Appropriation Accounts*)—Shortage of stores worth Rs. 13,000-00 was noticed against an official at the time of his handing over charge. The shortage was facilitated by the non maintenance of stock register and non-verification of stores. A Sub-Divisional Officer and a Store-keeper were held responsible. The Committee was informed that recovery orders have been passed and the amount was being realised in monthly installments but the amount of the installments was not intimated to the Audit. The Committee desired that the matter should be verified by the Audit and should come up again before it when it examines the accounts for 1958-59.

Concealment of Shortage of material worth Rs. 1,036-00

(v) (*Page 16, para. 17 (a) 3 (10) of Appropriation Accounts*)—In this case a sum of Rs. 1,036/- was to be recovered from Mr. Riazul Haq, Assistant Store-Keeper and Mr. Nasim Akhtar, Tubewell Superintendent. The Committee desired that the recovery should be expedited and the Audit should take up this matter with the Department and in case the matter is not settled it should come before the Committee when it examines the account for the next year.

Loss due to certain stores having remained unaccounted for

(vi) (*Page 29 para. 17 (25) of Appropriation Accounts*)—In a Public Works Division, it was noticed that 2,000 tons of rice was purchased at Sheikhpura on behalf of another Division for Rs. 1,06,698 in the year 1948. The debit for the same was not accepted. Consequently the amount was placed under the Suspense Head, "Miscellaneous Advances" by the purchasing Division. It was reported that the rice was not received by the indenting Division at Mianwali. It was pointed out to the Committee that Mian Masood Ahmed was the Executive Engineer at that time at Mianwali and one Busharat Ali was serving as Overseer under him. They came from Mianwali to Sheikhpura to make the purchase and after effecting the purchase made payment through the Executive Engineer, Sheikhpura to whom Mian Masood made a request for making the payment. Mian Masood is now Chief Engineer, WAPDA. But as he had gone abroad, he could not attend the meeting of the Committee to

explain this matter. The Committee recommends that Government should investigate this matter and settle this account as early as possible.

V. *(Page 19, para 17 (a) 6 (3) of Appropriation Accounts)*—In this case brass Sheets worth Rs. 17,388 were alleged to have been misappropriated by some officials of the Public Works Department. The Department explained that it was not a case of misappropriation; material was issued to a contractor against an approved indent, but the material was not entered in any Stock Register by the Sub-Divisional Officer who has been charge-sheeted. The Chief Engineer of the Region stated that the amount has been recovered from the contractor. The Committee desired that the Audit should take up the matter with the Department and if the item is not settled it should come up before the Committee when it considers the accounts for the year 1958-59.

Misappropriation of material worth Rs. 17,388.

VI. *(Page 23, para 17 (a) 14 (7) of the Appropriation Accounts)*—In this case a sum of Rs. 9,058 was paid to a contractor which was considered to be irregular by the Audit. The facts of the case were that the Superintending Engineer deleted from the agreement a paragraph under which the earth to be used on the work was to be taken from private lands adjoining the road. According to the stipulation in the agreement executed with the contractor for this work no compensation was to be paid to him for making payment to the land owners. On the completion of the work, this condition was deleted from the agreement by the Superintending Engineer and an irregular payment amounting to Rs. 9,058 was made to the contractor on this account. *Prima facie*, it was not open to the Superintending Engineer to delete any clause in the agreement to the disadvantage of the Government. The Committee recommend to Government to look into the matter.

Irregular payment.

VII. *(Page 23, para 17 (a) 15 (4) of Appropriation Accounts)*—(i) *Short recovery of Rs. 10,749*.—In this case there was a short recovery of a sum of Rs. 10,749. A sum of Rs. 2,580 has already been recovered. The Committee recommended that steps should be taken to recover the balance under the rules and after fixing responsibility suitable action should be taken against the officer concerned.

Cost of material not recovered.

(ii) *Page 22, para 17 (a) 14 (5) (6) and 15 (6) of Appropriation Accounts*—In this case a sum of Rs. 20,658 was paid to the contractor for carting material to the site of work. This was in contravention of the agreement as the contractor was to carry the material to the site of work himself. This was pointed out by the Audit. Inspite of the attention of the Department being drawn by the Audit to this aspect of the matter, a further sum of Rs. 9,238 was again paid towards the same purpose. The Committee at its meeting held on 1st October 1963 decided that a report be asked for from the relevant Department as to what disciplinary action, if any, they had taken and also to state if the moneys had been realised and if no disciplinary action was taken whether any disciplinary action was contemplated and the reasons for taking no action until then. The Committee was informed that an officer had been appointed in April, 1964 to conduct an enquiry; this officer did not submit any interim report. The Committee hoped that this enquiry will be completed as early as possible. The Secretary of the Department assured that he will take personal interest in the matter and see that the enquiry is pursued and brought to a just conclusion. It was pointed out to the Committee that the whole amount was not towards the carriage of material but a part of this amount was due from the contractor; that arbitration proceedings between the Government and the contractor regarding the justification whether this money was or was not due were underway; that the action could not be taken against the officer till such time as the arbitration proceedings were not completed. The Committee observed that the arbitration proceedings had nothing to do with the fixing of responsibility on officers regarding any delinquency or laches.

Cost of carriage of material from godowns to the site of works.

on their part in performing their duty; that it was the Department alone which can fix responsibility. The Secretary of the Department agreed with this observation and promised that the Department will see that this enquiry was concluded as early as possible.

Embezzlement of Stores and Fraudulent payments amounting to Rs. 59,611

VIII. (*Page 28, para 17 (a) 22 (2) of Appropriation Accounts*)—According to the information as collected by Chief Engineer, Sargodha Region, from the files in his office the facts are that one Inayat Ali, Accounts Officer, pointed out irregularities during the year 1955 in the matter of refunds on account of cost of rations realised from contractors to the tune of about Rs. 26,261, which appeared to him to be suspicious and he recommended a detailed investigation. The attention of the Chief Engineer was drawn towards this by the Accountant General in August 1955 and one Mr. Cheema was appointed as Inquiry Officer in September 1955 who submitted his report in February 1956. On the submission of this report by Mr. Cheema, the Chief Engineer handed over the case to the Anti-Corruption Department and asked the Accountant General to depute an Assistant Accounts Officer for station audit in June 1955. Thereafter, audit was carried out by Mr. A. R. Khan from 20th June to 24th June, who submitted his report. This report was received in the Chief Engineer's Office through Audit and Accounts office on 14th March, 1958 and a draft para was sent by the Audit to the Chief Engineer on 31st October 1960 in which it was stated that the case was taken up with the departmental authority in March 1958. In the meantime, Mr. M. H. Bajwa, who was the Executive Engineer concerned, retired on 9th February, 1958. Thereafter one Mr. Nasir Sultan Ali Khan was appointed as Inquiry Officer on 16th September, 1961 to go into the whole question. Mr. Nasir Sultan Ali Khan submitted his report on 21st December, 1962 and thereupon a charge-sheet was issued against the officers concerned and was sent for signatures to Secretary, Irrigation and Power on 9th April, 1963. The Anti-Corruption Department, in the meantime, had not taken any action and had sent the matter back to the Department for departmental action and the result of the Anti-Corruption Department was also sent to the Secretary in August, 1961. The Secretary, Irrigation and Power Department promised to look into this case again. He stated that in the meantime, a charge -sheet has been issued on 18th May, 1964 to all the concerned officers and the loss caused has been determined to the tune of Rs. 58,304.

Secret Service Expenditure.

IX. (*Page 47, para III of Appropriation Accounts*)—Under this head, moneys are made available to the Home Department for expenditure in the Tribal Areas. The only audit control exercised on this expenditure was that a certificate was required to be given by the Department concerned in the prescribed form. The idea was that it should be left to the conscience of the officer, disbursing the money, to see to it that the money was being properly spent and he should exercise his mind on that point while incurring the expenditure and issuing the certificate. In this case a certificate was issued in the year 1958 by one Mr. Mahmood Nizami, who was the Director of Public Relations of the Region Concerned. According to the Accountant General the certificate should have been issued by Secretary, Home, and not by Mr. Nizami. It was stated that a controversy was going on between the Home Department and the Audit Department on this issue which was not yet settled. The Committee stressed the desirability and necessity of issuing the relevant certificate at the proper time when the money was spent because this was the only measure of control over these expenses and if this was not done, it would be tantamount to throwing money away completely at the mercy of the spending officer. *Prima facie*, it was the Home Department who should have issued the necessary certificate, even if the power of expenditure was delegated to one of the subordinate officers because as far as the Legislature was concerned it was the Home Department to whom the money was granted and the Home Secre-

tary should be responsible for exercising the necessary control over the expenditure and, therefore, to issue the necessary certificate. These observations of the Committee were tentative and subject to verification by the Accountant General.

X. (Page 36, para 13 of Appropriation Accounts).—In this case wheatseed of the value of Rs. 99,380 was, in the first place, sold on credit which should not have been done, and the money should have been realised in cash. This amount had remained unrecovered from 1957-58 to 1961. Mr. Fazlur-Rahim Khan, Joint Secretary, Agriculture Department admitted the objection and stated that sales should have been on a cash basis and further that this amount had remained outstanding from 1957-58 to June, 1961. He contended that this outstanding amount related to a period much prior to 1957-58 and was carried on since then. The Committee strongly felt that this was a very serious irregularity and recommended to Government that the officials who were responsible for sale of wheat seed on credit should be suitably dealt with and that the responsibility for the non-realisation of this amount from the year 1957-58 to the year 1961 should be fixed and suitable action taken against the delinquents. The Joint Secretary, Agriculture Department, stated that a sum of about Rs. 17,000 had been realised and out of the total amount a sum of Rs. 81,000 was still outstanding. The Committee noted with concern that a large amount of Government money had not been realised. The Joint Secretary stated that the Revenue Authorities had been asked to make recoveries and the matter was receiving their attention. In the opinion of Committee it was a very sad situation and it strongly recommended that the Agriculture Department should strongly impress upon the Revenue Authorities concerned, drawing their attention to the observations of the Committee for realisation of this money under advice to the Audit. The Committee desired that this matter should again come up before it during the examination of accounts for the next year. The Agriculture Department will place before the Committee the list of officers who were to realise these amounts but failed in their duty in spite of their attention being drawn towards it by the Agriculture Department.

Sale on Credit.

XI. (Page 168, Item No. 4 of Appropriation Accounts).—Under the suspense head the opening balance was Rs. 9,52,77,837 and the closing balance was Rs. 11,88,13,255 and thus the increase during the year in the suspense account was to the tune of Rs. 2,35,35,418. The transactions are booked temporarily under one or other of the sub-heads of the suspense head, as the case may be, for want of necessary particulars, awaited debits, final action, etc; in respect of the transactions. The amounts lying under the suspense sub-heads are cleared when the wanting information, etc; is available. The amount under the suspense sub-head "Misc. Public Works Advances" comprises losses, shortages, misappropriation, defalcations, recoveries, etc. For want of details of the amounts lying under these suspense sub-heads, the Committee could not go into their merits. The Secretary of the Department had, however, assured the Committee that he would sit alongwith the Director of Audit and Accounts, Works, and try to clear as much of the mess as possible. This at the moment appeared to be the best that could be done about it and the Committee hoped that their labours would bear fruit and this suspense account would be minimized to the maximum. The Committee decided that this might come up before it when it considers the accounts for the year 1958-59.

Outstanding balances under Suspense

XII. (Page 173, para 8 of Appropriation Accounts).—The Committee was informed that the sanctioned Reserve Stock Limit had now been increased from Rs. 2,74,65,836 to Rs. 6,19,91,438 and the closing balance on 31st March, 1958 was Rs. 7,26,28,532 including Public Health. The Committee was further informed that the Sanctioned Reserve Limit of Stock can now be fixed by the Chief Engineers themselves. The reason for this procedure being adopted was that as the Chief Engineers were incharge of their work they were best in a position to know as to how much should be their sanctioned Reserve Limit of

Store Accounts for the year 1957-58

Stock and further that they would be liable to disciplinary action in case they sanctioned their own Reserve Stock Limit in a perfunctory or careless manner. In view of the fact that the amount aggregating to about a crore or more has still to be reconciled as being the excess of the closing balance over the sanctioned Reserve Limit of the Stock, the Committee observed that there was a scope of all types of losses, mis-appropriations, defalcations, arrears and what not, unless there was a full and complete reconciliation with the Audit. The Secretary of the Department undertook to do it with the Audit and the Committee thought this would be the best that could be done in the matter. The Committee hoped that it would be possible for the Departments to reconcile the figures with the Audit but if it is not reconciled, the matter should come up before the Committee when it considers the account for the year 1958-59.

Mis-Use of
Government
Vehicles by
V. Aid
Department.

XIII. (*Page. 44 para 38 of Appropriation Accounts*)—A test check of the log books of vehicles of a Training Institute of V-AID Department revealed that mileage shown for certain journeys was far in excess of the actual distances between the places mentioned therein. The excess mileage worked out to 1403 miles. Under the rules, a recovery of Rs. 877 at annas 10 per mile was to be made. In the same Institute Government vehicles were used for Private purposes and in some cases, the nature, of the trips was not specified in the log Books. The persons using the vehicles did not sign Log Books. In the unsigned Log Books it was indicated that in some cases the borrowers used their own petrol but on verification from the Petrol Account the Petrol consumed in these journeys was found to have been charged to Government Account. The Staff car Rules require that if a sufficient indication of the nature of the trip is not given or the officers do not care to sign the Log Books and fill up the particulars properly, it would be assumed that the trips were made on private account for which recovery would be made from the borrowers at annas 10 per mile. The Committee considered the explanation furnished by the Department. The Officer concerned admitted the fact that owing to his multifarious preoccupations in connection with the training of workers entertaining and conducting the foreign visitors to his Institute and the adjoining areas he failed to maintain the Log Book properly and to check all the entries appearing there in. This explanation was unsatisfactory. The Department, however, stated that some of the amount had been recovered from the officers concerned and the Department will recover the balance amount as early as possible.

Unauthorised Expenditure of Rs.
2,02,000/-

XIV. (*Page 44 Para (40) of Appropriation Accounts*). An amount of Rs. 2, 29,000/-was drawn in an office of the V-AID Department on account of expenditure on schemes approved by Development Area Committees. The drawal of the Money which was kept for months together as well as the expenditure was not covered by the sanction of the competent authority. There were certain schemes worth more than Rs. 2,000/- each and permission of the Commissioners in respect of those schemes were to be obtained. These schemes related to either purchase of medicines or ammonium sulphate or some other commodity or for doing some other work which was spread over a number of schemes and if the entire purchases were to be treated as one scheme then the amount would exceed Rs. 2,000/. But if it was distributed to different Village Councils over which this money was to be spent, then in each case it would come to a scheme of less than Rs. 2,000/. There was a difference of opinion between the officers as to how it should be treated and finally they thought that no sanction from the Commissioner was necessary. This resulted in expenditure being incurred without the permission of the Commissioner. But subsequently it was found that it should have been treated as one scheme and sanction of the

Commissioner was necessary. Necessary *Ex-post facto* sanction have now been accorded. The Committee is of the opinion that if the Commissioner had been more vigilant, he would have been able to give necessary sanction at the proper time.

XV. (*page 38 para. (19) (iii) of Appropriation Accounts*)—An amount of Rs. 50,000 was drawn by an officer of the Education Department on 31st March 1958 for the purchase of furniture and was shown as paid on the same day in the Cash Book but was subsequently deposited in a private Bank on 1st April, 1958. Out of this a sum of Rs. 15,000 was withdrawn on the 5th April, 1958 and paid to the contractor while the supply was made by him in the month of May, 1958. Thus three irregularities were involved. (a) Money was drawn on 31st March, 1958 for the purchase of furniture and was shown as paid on the same day in the Cash Book. (b) it was deposited in a private Bank on 1st April, 1958 and (c) a sum of Rs. 15,000 was drawn on 5th April, 1958 and paid to the contractor while the supply was made by him in the month of May. The Committee found that although there was a serious irregularity; this devise was resorted to for the purpose of utilising the money otherwise the amount would have lapsed at the end of the financial year and the Department would have been poorer in respect of furniture. Although the Committee looked with great disfavour on irregularities of this kind, on the merits of this individual case, the Committee recommends that the officer responsible for it might be let off with a simple warning.

XVI. (*Page 37, para. (16) of Appropriation Accounts*)—A sum of Rs. 10,958 received by a Government College on account of tuition fees from the students was kept out of the Government accounts for a period ranging from six to ten months by not entering the amount in the Cash Book. The Accountant who was responsible for handling the cash had not furnished any security as required under Rules. By keeping the money in his possession, the Accountant embezzled a sum of Rs. 269/8 on different occasions which was not recovered from him. The Education Department informed the Committee that the Accountant who had misappropriated the amount was absconding and the Principal of the College had been screened out. The Secretary, Education conceded that there was a delay in the registration of a case against the Accountant. Considering all the aspects of the matter, the Committee is of the opinion that no further departmental action was necessary.

11. The objections mentioned in the following paragraphs contained in the Appropriation Accounts were required to be explained by the Agriculture Department but they did not furnish the necessary explanations in respect of them to the Committee.

Unauthorised withdrawal of money to avoid lapse of Budget grants

Misappropriation of Cash by the Accountant in a Government College

Non furnishing of explanation by the Agriculture Department

Serial No.	Page of the Appropriation Accounts	Para. No.	REMARKS
1	5 read with 249	5	Explanations for Savings 46—Loans and Advances (E-10 and E-22)
2	33	1	Paragraph regarding serious financial irregularity.

Serial No.	Page of the Appropriation Accounts	Para No.	REMARKS
3	34	2(i)	Paragraph regarding serious financial irregularity
4	34	2(ii)	Ditto
5	34	3(i)	Ditto
6	34	3(ii)	Ditto
7	34	4(i)	Ditto
8	34	4(ii)	Ditto
9	34	5	Ditto
10	34	6	Ditto
11	35	7	Ditto
12	35	8	Ditto
13	35	9(i)	Ditto
14	35	9(ii)	Ditto
15	36	10	Ditto
16	36	11(i)	Ditto
17	36	11(ii)	Ditto
18	36	12	Ditto
19	59 to 61	IV (a) to (c) Regarding outstanding Audit Notes relating	
			to Comptroller, Southern Area/Director of
			Commercial Audit.

The explanation in respect of these paragraphs were asked for by the Committee in October, 1963. The Committee was handicapped in dealing with these matters in the absence of Department's Explanations. The Joint Secretary, Agriculture, stated that the relevant records pertaining to the Hyderabad Region from which this information could be collected were not available with the Department as they were lying with the Anti-corruption Department for the last so many years and that the Department was making efforts to get these documents back from the Anti-Corruption Department. The Committee decided that these explanations should be furnished by the Agriculture Department along with the explanations in respect of objections appearing in the Appropriation Accounts for the year 1958-59.

12. Important financial irregularities and defects in procedure discovered during the local audit of the initial accounts maintained by the departmental officers are communicated by the Audit Officers to the Heads of Offices, Controlling Offices etc., through inspection reports and audit notes. The time prescribed for replying to audit notes is six weeks. But in a large number of cases, no replies were furnished in time. The attention of the Committee was drawn to the proceedings of the meeting of the *Ad hoc* Public Accounts Committee held on 1st December, 1961 which was presided over by the Governor and where this question was considered amongst other questions and a decision was taken which is reproduced below:—

Delay in
disposal of
Inspection
Reports and
Audit Notes

“The Committee directed that a circular letter should be issued to all Heads of Departments to order withholding of the salaries in respect of those officers who do not reply to the audit objections within the prescribed time limit”.

The Accountant-General pointed out that a circular letter was issued on the basis of this decision in September, 1962 but in spite of that a large number of cases still remained where the audit notes were not attended to. It was pointed out on behalf of the Finance Department that there were some procedural difficulties in withholding salaries of the officers concerned if they were not attending to the audit notes. The Committee advised that this question should further be examined by the Finance Department. The Committee, however, observed that the matter is quite serious and if there is any difficulty in imposing this particular punishment, it should be quite possible to deal with such delinquents in some other way. The Committee is of the opinion that it should be a quite healthy rule of practice that the Department which considers that a proper reply cannot be formulated within the period of six weeks, should send an interim report to the Audit stating the difficulties inherent in the collection of the relevant material for the purpose of formulating the replies and ask for such time as they considered necessary for the preparation of replies and in all other cases replies should be sent to the Audit within the prescribed time limit. If this procedure is not observed in future, the Heads of Departments should take severe disciplinary action against the officers responsible for delay and failure of the Heads of Departments to implement this would be treated as lapses on their part and should be taken a serious view of by the Government.

13. A large number of accounts, documents and returns were not prepared and submitted to Audit despite issue of repeated reminders from the Audit office. The details of outstanding documents and returns as it stood on the 31st December, 1960 is given at page 57 of the Appropriation Accounts. It was observed that no serious efforts were made to clear arrears though relaxations in preparation of accounts, returns and documents were also allowed by Government in December, 1959 and the target date of 31st August, 1960 was fixed by Government for clearance. In spite of these relaxations and additional staff allowed in some of the divisions of P.W.D., which were heavily in arrears and the appointment of Assistant Accounts Officer in Regional Offices, hardly any improvement had been noticed. The attention of the Committee was drawn to the proceedings of the *Ad hoc* Public Accounts committee held on the 4th and 5th December, 1961. While considering the question that Committee directed that the Chief Engineers should finalize the outstanding cases expeditiously and report the disciplinary action taken against the defaulting officers. That Committee had further directed that severe disciplinary action in two or three cases should be taken so that it might serve as an eye opener for others. It appears that the decision of the *Ad hoc* Public Accounts Committee presided over by the Governor himself was not fully implemented and adequate action was not taken against any body to serve as an eye-opener as indicated in the decision of that Committee. The position was that a large number of returns for

Arrears in
accounts,
documents
and returns

many years were outstanding. The Committee in its meeting held on 28th April, 1964 drew the attention of the Chief Engineers towards the decision taken by the *Ad hoc* Public Accounts Committee with request to take suitable and necessary action and report the same to this Committee. This matter was again taken up by the Committee in its meeting held in July/August, 1964. The Committee was informed by one or two Chief Engineers that they had issued warnings with the phraseology, "You are warned to be careful in future". The Committee did not accept this as proper disciplinary action envisaged in the aforesaid directions. The Committee stressed on the Administrative Secretaries the desirability that the decision taken by the *Ad hoc* Committee presided over by the Governor and by this Committee should receive their personal attention and they assured the Committee that they would look into it personally and see to it that severe disciplinary action was taken in two or three cases to serve as an eye-opener for others. The Committee asked them to report the fact of the action having been taken as soon as possible so that the Committee might be in a position to incorporate it in its report. The Committee was informed in its meeting held on 29th September, 1964, that proceedings against 15 officers of Bahawalpur and 9 of Lahore Regions for latches on their part have been initiated. The Committee desired that further progress be reported to the Committee in due course.

**Commercial
Accounts**

14. (1) Accounts of the following organizations are required to be maintained in commercial form with effect from the dates mentioned against each, and published in the Compilation entitled "Government of West Pakistan Commercial Accounts and Audit Report". Some of these organisations were taken over by the Government of West Pakistan due to transfer to it of the control of centrally administered province of Baluchistan with effect from 14th October, 1955:

I—Industries Department:

- (1) Government Demonstration Weaving Factory, Shahdara (1st April, 1957).
- (2) Sales and Display Depot, Lahore (1st April, 1957).
- (3) Virginia Tobacco Redrying Factory, Khairpur (1st April, 1955).
- (4) Government Tannery, Shahdara, (In liquidation) (1st January, 1956).
- (5) Punjab Government Cotton Mills,Lahore (In liquidation) (1st April, 1957).

II—Forest Department—

- (6) Government Jallo Rosin and Turpentine Factory, Lahore (1st April, 1957).
- (7) Shisham Exploitation Scheme in Mardan District (1st April, 1957).
- (8) Scheme for Exploitation of Ephedra Plant in Quetta Region (1st April, 1957).

III—Agriculture Department—

- (9) Mechanical Cultivation Scheme in Quetta Region (1st April, 1956).
- (10) Agricultural Workshop, Tando Jam (15th August, 1947).
- (11) Cold Storage at Baghbanpura (Lahore) and Sialkot (1st April, 1951).

IV—Electricity Department:

- (12) Electricity Schemes in Peshawar and Dera Ismail Khan Divisions (1st April, 1955).

V—Irrigation Department—

- (13) Mughalpura Irrigation Workshops Divisions, Mughalpura (Lahore) (1st April, 1957).
- (14) General and Steel Mills, Mughalpura (Lahore) (9th January 1948 to 31st March, 1950).

VI. Excise and Taxation Department—

- (15) Excise and Salt Department, Lahore (1st April, 1956).
- (16) Government owned Salt Stores at Saran (1st April, 1956).
- (17) Opium and Alkaloids Factory, Lahore (1st April, 1957).

VII. Stationery and Printing Department—

- (18) Provincial Stationery Office, Lahore (1st April, 1957)

VIII. Communication Department—

- (19) Auxiliary Goods Service, Lahore (In liquidation) (1st April, 1955).
- (20) Government Transport, Khairpur (1st January, 1955).
- (2) Of these undertakings, the accounts of the following twelve organisations were not incorporated in the Compilation under examination for various reasons mentioned in paragraph 18 of the Compilation:

Industries Department—

- (i) Virginia Tobacco Redrying Factory, Khairpur, 1955-56 to 1957-58.

Forest Department—

- (ii) Shisham Exploitation Scheme in Mardan District, 1957-58

Agriculture Department—

- (iii) Mechanical Cultivation Scheme in Quetta Region, 1956-57 and 1957-58.
- (iv) Agricultural Engineering Workshop, Tando Jam, 1947-48 to 1957-58.
- (v) Cold Storage at Baghbanpura (Lahore) and Sialkot, 1951-52 to 1957-58.

Electricity Department—

- (vi) Electricity Schemes in Peshawar and Dera Ismail Khan Divisions, 1955-56 to 1957-58.

Irrigation Department—

- (vii) Mughalpura Irrigation Workshops Division, Mughalpura (Lahore), 1957-58

- (viii) General and Steel Mills, Mughalpura, (Lahore), 9th January, 1948 to 31st March, 1950.

Excise and Taxation Department—

- (ix) Excise and Salt Department, Lahore, 1956-57 and 1957-58.

- (x) Government owned Salt Stores at Saran, 1956-57 and 1957-58.

Communication Department—

- (xi) Auxiliary Goods Service, Lahore (In liquidation) 1955-56 to 1957-58.

- (xii) Government Transport, Khairpur, 1957.

(3) The Administrative Departments concerned were asked to furnish explanations for delay in the preparation of or non-preparation of accounts of various undertakings and the explanations furnished by the departments were considered by the Committee in detail. Some of the departments stated that they were taking suitable action against the officers, who were responsible for non-preparation of the accounts and were getting the accounts re-constructed and submitted to Audit.

It may be mentioned in particular that the Agriculture Department had not prepared the accounts of the Cold Storage Baghbanpura, Lahore and Sialkot from

1951-52 to 1957-58. The Department explained that as the undertaking was transferred to a private party in 1952, their liability was restricted to the preparation of the accounts for six months only. They had put some officials on the job, but the accounts being of a very old period, they were finding it difficult to reconstruct the same and to present them to the Audit in the form prescribed for commercial accounts. The Director, Commercial Audit, stated before the Committee that the accounts, which had been made available to him by the Agriculture Department were such as were not susceptible of a commercial audit. He particularly drew attention to the fact that assets of some of the organisations run on commercial basis were not evaluated and the records of stocks and stores were not complete. It was not possible for him, therefore, to conduct anything like a worthwhile audit on this basis. The Committee had thought at the time of its preliminary examination of the Commercial Accounts that during the interval between preliminary examination and the furnishing of explanations by the Department, the Agriculture Department would be able to prepare accounts for the organisations for which no accounts had been kept in the commercial form. After hearing the representative of the Agriculture Department, the Committee came to the conclusion that there was no likelihood of accounts for those organisations under the Agriculture Department, for which no accounts have been prepared, being completed, audited and made available to the Committee for examination during the current year. As the Committee had to finalise its report for presentation to the Assembly, the Committee could not wait for the Department to complete the preparation of the accounts, and can do no better than to draw the attention of the Government to the sorry state of affairs prevailing in the Agriculture Department in respect of the commercial organisations being run by it.

(4) The Committee examined the explanation given by the Departments concerned in respect of the financial irregularities pointed out in the commercial accounts and a reference may be made to the proceedings of the Committee dated 11th August, 1962, 2nd September, 1964 and 3rd September, 1964, for a detailed account of the same. The Committee would like to mention here some of the outstanding irregularities and the action taken by the Departments concerned in regard thereto. These are—

(i) There was a loss of Rs. 80,195 on the sale of opium in Government Opium and Alkaloid Factories, Lahore. This was due to the fact that selling price of opium was fixed at Rs. 130 per seer for excise opium whereas the actual cost price was Rs. 133-10-6. The Committee found that the total sale of opium during the year under report was 189.307 maunds out of which the carry-over from the last year was 122 maunds. These 122 maunds were received by the Department in July, 1956 and the Department had the time to find out as to what was the cost of production of that opium. It was urged on behalf of the Department that the selling price of Rs. 130 per seer was fixed by Government arbitrarily for the whole year and it was not possible to have it revised just like what is done in Railways where after fixing the price of tickets, price is not changed even if the concern is going at a loss. The Committee cannot agree with the explanation of the Department on this point because to compare Excise Department on the side of selling opium with Railway Department carrying passengers, freight on the face of it was not correct, and that in this case the Department had been responsible for negligence in not finding out the correct cost of production which is a question of pure arithmetic, more so when the Department had all the data before it and if it had exercised diligence and care, it would not have been difficult for it to know the actual cost.

(ii) Government Weaving and Finishing Centre, Shahdara earned a net profit of Rs. 2,29,213 during the year under review as against the net profit of Rs. 5,06,788 made during the previous year. The profit was arrived at after the transfer of expenditure of Rs. 4,78,037 from the commercial side to the Education side. But for this transfer the profit would have turned into a loss of Rs. 2,48,824. The Committee examined the justification for the transfer of this expenditure to the Education side on merits

The Secretary of the Department drew the attention of the Committee to Rule 24 of the Rules for the Working and Management of the Institute accordingly of which certain expenditure is debited to the Education side. He further stated that the Finance Department had fixed the ratio of 4:11 as the ratio of disbursement for the profits of the organisation meaning thereby that 4 out of every 11 has got to be credited towards the Education side that is being run by this Institution. He said that this factory was running a Centre for training to supply personnel to other factories in the Province and for the purpose certain expenditure had to be incurred which was charged to the profits of this factory and that the number of trainees fluctuated. In the opinion of the Committee sufficient data was not placed before it to satisfy it that it was necessary to charge the cost of expenditure of the trainees to the profit of this Institution. If it was necessary to run a training Course in his Institute, Government might have provided a grant for running it and the trainees might very well avail of it for the purpose of carrying on their training course. But to charge expenditure on this Training Course to the profits of this commercial organisation appeared to the Committee to be extraordinary. The Committee recommends that this position should be reviewed and reconsidered by the Finance Department sitting alongwith the Industries and Commerce Department and the management of the factory and a solution found out.

(iii) An evacuee cotton mill known as Mela Ram Cotton Mills, Lahore, was leased out to one Sardar Rashid Ahmed on 12th September, 1954. Sardar Rashid Ahmed was also given possession of Government stocks and stores valuing more than rupees ten lacs against which he furnished a bank guarantee of rupees 4 lacs only from the Sialkot Co-operative Bank Limited, Sialkot. Mr. Rashid then took one Mr. Abdul Ghani Ghuman, an ex-Minister of West Pakistan and Mr. Nasir Ahmed Malli, another ex-Minister of Punjab as his partners by a private agreement executed between the three partners on 26th July, 1954. Government stocks of the value of Rs. 4,85,176 handed over to Sardar Rashid Ahmed were sold, consumed or otherwise disposed of upto 2nd February, 1955 when the Mill was closed and sealed. The Mill was closed and sealed as an inquiry had been started on reports having reached Government that large-scale thefts and pilferages were taking place in the Mill. A criminal case was registered against the lessees with the Police in 1955 and it is stated that 800 witnesses were produced on behalf of Prosecution out of whom 600 witnesses were examined. When the criminal case had reached this stage transfer applications were filed and attempts were made to delay the proceedings. The case dragged on like this till Sardar Rashid Ahmed filed a petition in the High Court for quashing the proceedings. The late Mr. Justice M.R. Kayani passed the following order:—

"Mr. Shaukat Ali Malik for petitioner. Mr. M.B. Zaman for the State. He says Government would withdraw the prosecution if the petitioners undertake to make all payments found due from them by the Arbitrator to be appointed under the agreement. Sardar Rashid Ahmed agrees provided all the outstanding disputes relating to the Mill are decided. Mr. Zaman agrees. Mr. Nasir Ahmed Malli, also gives the undertaking, Mr. Ghuman is not present and his counsel Mr. Muhammad Iqbal wants to consult him. Adjourned for this purpose only to next Monday."

Sd.

8th October 1962

M. R. KAYANI,

Parties as before, Mr. Muhammad Iqbal gives the necessary undertaking for Mr. Abdul Ghani Ghuman also.

In view of these undertakings Government now will withdraw the proceedings. This is in the nature of a gentleman's agreement that the petitioners should make payment to Government of whatever is found due from them by filing the award, that is to say, after the award has been made subject to legal tests, if necessary.

This petition may now be filed.

15th October 1962

Sd:
M. R. KAYANI".

The result was that the Criminal proceedings were dropped. The Department of Industries thereafter made attempts to have an Arbitration Court set up in terms of agreement under which one arbitrator was to be appointed by Sardar Rashid Ahmad and his partners, another arbitrator was to be appointed by the Board of Management of the Mill and yet another arbitrator was to be appointed by the Rehabilitation Commissioner. The three parties, namely, Messrs Sardar Rashid Ahmad, Nasir Ahmad Malli, and Abdul Ghani Ghuman appeared before the Industries Department. Sardar Rashid Ahmad and Nasir Ahmad Malli, were agreeable for the Arbitration Board to be set up but Mr. Abdul Ghani Ghuman gave a written statement that he had given no instructions to his Advocate, Mr. Mohammad Iqbal to give an undertaking to the Court that he would submit to an arbitration award referred to in the Order of Mr. Justice M. R. Kayani.

This resulted in a stalemate and the gentlemans' agreement, referred to in the judgment of Mr. Kayani, founded on the rock of what *prima facie* was not a very gentlemanly attitude. This being so, the Committee was faced with the situation that the amount of Rs. 4,85,176 due to Government remained unrealised and there was no prospect of its being realised unless effective measures were taken against all those who were a party to this muddle.

In its preliminary examination of the accounts on 5th May, 1964, the Committee made the following observations :—

- "(i) "It would be advisable to approach the High Court and apprise them of the whole situation and make a prayer for the appointment of an arbitrator by the High Court with full powers to decide the matter in dispute and thus finally clinch the issue and decide the question, and
- (ii) to fix responsibility and to detect fraud, theft and misappropriation. It would be proper to refer the matter to the Director of Anti-Corruption West Pakistan, Lahore with request to finalize his report by 30th June, 1964, and collect all material evidence relating to fraud, misappropriation, theft and embezzlement and fix responsibility of the individual officers and other persons connected with this muddle".

When the Committee resumed consideration of this matter in its meeting held on 11th August, 1964, the Committee was informed that the Department at the highest executive level decided not to refer the matter to the Anti-Corruption Department as they considered that no useful purpose would be served by collecting evidence regarding fraud, misappropriation, theft and embezzlement and fixing responsibility of individual officers and other persons concerned with the muddle, as they were primarily concerned with the collection of the amount to be recovered. This decision was taken because in the past they had made all-out efforts to fix responsibility and find out this fraud, embezzlement, etc., by a court of enquiry and investigation. This being so the committee was of the view that the alternative left in this case was to approach the High Court because it was a clear case where the arbitration clause in an agreement had been frustrated and it was open to the aggrieved party to approach the High Court for appointing an arbitrator to decide the whole question. The Committee was strongly of the view that no time should be further wasted on tossing the file from one Department to another in the pursuit of collecting information and when the position was so obvious on the face of it the Department should now consider to file an application before the High Court for the appointment of an arbitrator and if they needed the opinion of the Law Department on the question, that opinion should be obtained without loss of time or delay. The Department should also take into consideration the fact as to how it was that a faulty surety was accepted and who was the officer who was responsible for accepting that faulty surety and take action against him. This aspect of the matter would certainly need further exploration even if other

matters needed no exploration, because it was certainly a question where one of the officials of the Department had been responsible in not exercising that diligence which it was necessary for him to exercise while performing his duty as a prudent man of business in the discharge of public duty. The Committee was further informed that as for the recovery of Rs. 2,50,241 from the Pakistan General Insurance Company, Lahore in relation to the Mela Ram Cotton Mills, a sum of Rs. 1,60,000 had since been recoverdd in 5 instalents of Rs. 32,000 per month, a sum of Rs. 32,000 was to be recovered in August, 1964 and the balance amount had become time barred. The Committee recommends that the Department should look into it and have it checked with the Audit and find out by whose negligence this large sum of money became time-barred and if possible to suggest ways and means for the recovery of this amount from the persons responsible.

(iv) While examining the affairs of the Punjab Road Transport Board the Committee noticed that the Bus bodies built in the Body Building Workshop, Lahore were costlier than the bus bodies built outside. The officers of the Road Transport Corporation defended the position by stating that the Department spends more money on giving more amenities to employees by way of electric fans, on higher salaries and so on and so forth. The Committee was not satisfied with the explanation. The Committee is of the view that it is well-known that the goods produced directly under Government Control were costlier than the goods made elsewhere. The Secretary, Transport Department, suggested that the proper thing to do would be to make a comparison of bus bodies manufactured in the departmental workshop for a period of three to four years as against similar bus bodies built by Private Body Builders for a similar period and then if it is found that cost of the goods of departmental workshop is un-reasonably higher in comparison to work done outside, then it would certainly be proper to review the whole thing and to think of making improvements whereby the cost of manufacture in the Departmental workshop is reduced. The Committee commends this suggestion for the examination of Government and the Road Transport Corporation are advised to find out ways and means to see to it that the goods manufactured in the departmental workshop were both better in quality and cheaper than those produced outside because of advantages which the Government have in giving more amenities and more facilities to the employees so that their goods should both be better and cheaper than what is produced elsewhere and by crude methods and under circumstances of lesser comforts and amenities.

(v) While examining the accounts of the Lahore Omnibus Service, Lahore, the Committee examined audit objection regarding sale of unserviceable tyres without the orders of the competent authority. The Chairman, Road Transport Corporation had ordered piecemeal sale of unserviceable tyres in several lots spread over a period of two months. By this method he did indirectly something which he could not do directly. In a practice like this, there was inherent possibility of dealings not being upto the mark and quite above board. The Chairman, Road Transport Corporation explained that a team of two persons was appointed to survey these unserviceable tyres and as and when the reports of these surveyors were coming up, the Chairman was sanctioning their sale and although it happened that on one or two occasions he had passed orders for more than one lot which was tantamount to his having sanctioned beyond his limit, yet the position was that for the purpose of effecting clearance of these unserviceable tyres he had taken to this procedure. The Committee observed that whatever might have been the motives and whatever might have been the results, the question still remained that things should not only be done correctly but they should also appear to have been done correctly and in this case it did not appear to have been done correctly. The tyres having been sold out and having fetched a higher price by being sold in piecemeal than what they would have fetched if they had been sold in one lot, the Committee did not wish this matter to be pursued any further. The Committee recommends that in future this practice should be strictly avoided and care should be taken to operate well within the powers of the operating officer, and jurisdiction should not be assumed by subordinate officers so as to divest higher authorities of their rightful jurisdiction.

15. (1) The committee examined the various sections of the Finance Accounts particularly the Revenue Account. The revenue position of the Government during the year under report was not satisfactory. The actual revenue receipts amounted to Rs. 61,07 Lacs against the original budget of Rs. 63,17 lacs. The actual revenue expenditure was Rs. 61,47 lacs against the original budget of Rs. 63,20 lacs. These figures reveal a drop in revenue of Rs. 2,10 lacs and also in expenditure of Rs. 1,73 lacs resulting in a net deficit of Rs. 40 lacs.

Debt Position—The public Debt of the undivided Punjab Government at the time of Independence was as follows:—

(i) *Debt due to the Government of India* :—

	(in lacs of rupees)
(a) Consolidated Debt	.. 7,70
(b) Development Loan	.. 4,69
	<hr/>
Total	.. 12,39
	<hr/>
(ii) Loans raised in the market	.. 19,09
(iii) Interest upto the date of partition	.. 33
	<hr/>
Total	.. 31,81

The above debt has not yet been allocated between the Punjab (P) and Punjab (I) Governments. Pending financial settlement between the two Governments the initial liability to discharge debt obligations (including the payment of interest) is that of the Punjab (P) Government,—*vide Article 9 of the Indian Independence (Rights Property and Liabilities) order, 1947*. During the year 1957-58 the debt discharged out of the loans raised in the market amounted to Rs. 1.19 lacs and the repayment to the Government of Pakistan towards the principal of the consolidated debt (Loans from the Central Government) amounted to Rs. 16 lacs.

The debt position of the Government of West Pakistan as it stood at the beginning and the close of the year 1957-58 is summarised in the statement below:—

(in thousands of Rupees)

Nature of Debt	Amount of Debt		Difference (+) (-)
	on 1st April, 1957,	on 31st March 1958	
(i) Permanent Debt	.. 11,27,62	11,10,11	-17,51
(ii) Floating Debt	2,90,00	+2,90,00
(iii) Loans from the Central Government	.. 96,54,18	1,33,77,09	+37,22,91
(iv) Unfunded Debt	.. 5,69,88	6,34,08	+64,20
Gross Total-Rupee Debt	.. 1,13,51,68	1,54,11,28	+40,59,60
Deduct outstanding Loans and Advances made by Government	20,88,80	22,34,80	+1,46,00
Net Debt	.. 92,62,88	1,31,76,48	+39,13,60

(i) *Permanent Debt*—No new loan was raised in the open market during the year. Subscriptions to the extent of Rs. 30 (thousands) were received for 3½ per cent West Pakistan Loan 1961-62 and an amount of Rs. 1,00,99 (thousands) was

converted from 3 per cent Punjab Bonds 1956 raising the total amount to Rs. 1,01,29 (thousands). The total Debt discharged during the year amounted to Rs 1,18,81 (Thousands).

(ii) *Floating Debt*—The balance of Rs. 2, 90,00 (thousands) on 31st March, 1958 represents ways and means advances left unpaid at the close of the year.

(iii) *Loans from the Central Government*—The balance on 31st March, 1958 represents outstanding loans of Rs. 1,50,15,75 (thousands) taken from the Government of Pakistan reduced by Rs. 16,38,68 (thousands) due to repayment till the end of the year 1957-58. The loans taken during the year 1957-58 from the Government of Pakistan amounted to Rs. 39,13,99 (thousands) and the repayments amounted to Rs. 1,91,08 (thousands).

Loans and Advances—The increase of Rs. 1,46,00 (thousands) is mainly due to grant of loans to Thal Development Authority and Advances to cultivators.

16. The Committee wish to place on record its appreciation of the valuable assistance given to the Committee by Mr. S.M.A. Sabzwari, Accountant General, and Mr. Khawaja Hafizullah who was succeeded by Mr. Riazul Hasan, Director of Audit and Accounts (Works). The Committee found their report on the Appropriation Accounts to be of great value. Thanks are also due to Mr. A.A.K. Babar, Director, Commercial Audit, who assisted the Committee in the examination of the Commercial Accounts.

The Committee also expresses its appreciation of the advice and assistance given by Mr. V.A. Jafarey, Secretary, Finance Department, who assisted the Committee in some of the meetings and Mr. S.M. Nasim, Additional Finance Secretary, who was with the Committee almost throughout the examination of the Appropriation, Commercial and Finance Accounts and who gave valuable advice and assistance.

Last but not least, thanks are due a to the Secretariat of Committee and in particular to Chaudhri Muhammad Iqbal and Syed Muhammad Athar, Secretary and the Assistant Secretary respectively of the Provincial Assembly, who served the Committee throughout its laborious and at times tiresome proceedings from day to day and who have been of material help to the Committee in preparing this report.

S.M. SOHAIL

CHAIRMAN,

Standing Committee on Public
Accounts, Provincial Assembly
of West Pakistan.

Lahore

The 9th December, 1964.

MUHAMMAD IQBAL

SECRETARY,

Provincial Assembly of West Pakistan.

LAHORE :

The 12th December 1964.

ANNEXURE
TO THE
REPORT OF THE STANDING COMMITTEE
ON
PUBLIC ACCOUNTS

**PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE
ON PUBLIC ACCOUNTS HELD IN THE COMMITTEE ROOM
OF THE ASSEMBLY BUILDING AT 5.00 P. M. ON TUESDAY
THE 1ST OCTOBER, 1963.**

Present—

(1) Mr. S. M. Sohail, M. P. A.	.. Chairman.
(2) Pir Ali Shah, M. P. A.	.. Member.
(3) Sardar Ahmad Ali, M. P. A.	.. Member.
(4) Mr. Ghulam Muhammad Shah, M. P. A.	.. Member.
(5) Mr. S. M. A. Subzwari, P. A. & A. S., Accountant-General, West Pakistan, Lahore.	.. By invitation.
(6) Mr. K. Hafeezullah, P. A. & A. S., Director, Audit and Accounts (Works) West Pakistan, Lahore.	.. By invitation.
(7) Mr. A. M. Sheikh, Deputy Secretary Finance.	

The Committee took up the examination of the Appropriation Accounts for 1957-58 and the Audit Report 1959.

The following decisions were taken by the Committee:—

Page 5—It was decided that an explanation should be called for from the Department concerned in respect of all the items on page 5 of the Audit Report where there has been a saving of more than ten per cent. The explanation should be full and complete giving the detail.

Page 7—It was decided by the Committee that an explanation should be called for from the relative Departments for the Excess Expenditure incurred as shown in column 5 of the Report on page 7. The explanation should be full and complete giving the details.

Page 9—With reference to the item regarding "Supplementary Grants and Appropriations proving partly or wholly unnecessary", it was decided by the Committee that an explanation should be called for from the relative Departments which should be full and complete.

Page 12—17(a)(1)—It was decided that explanation should be called for from the relative Departments as to why the works enumerated therein were undertaken in anticipation of the technical sanction to their estimates. The Committee took a serious view of the matter and directed that a full and complete report giving details should be obtained from the relevant Departments who may also state the cases where since then sanctions have been obtained. The Audit was asked to suggest how this type of a situation might be avoided in future.

Pages 14.—31—With reference to the items under the Heads : "Buildings and Roads Department", "Irrigation Department" and "Electricity Department" Payments, Shortages of Stores, etc., appearing on pages 14—31 the Committee decided that a report may be asked for from the relevant Departments as to what disciplinary action, if any, they have taken in the cases enumerated therein and also to state in which of the cases the moneys or stores have been realised. If no disciplinary action has been taken whether any disciplinary action is contemplated, and the reasons for taking no action so far. The explanation should be full and complete giving all the details.

*Actions taken
etc.
etc.*

B

The Deputy Secretary (Finance) Mr. A. M. Sheikh, at this stage pointed out that there was a note by the Finance Minister, Mr. Yaqub Shah, made in August 1962, which was to the effect that a senior Officer should be appointed to consider all the objections, to weed out the small objections and to concentrate on the major ones. The Deputy Secretary stressed the point that this method should be adopted now and the Finance Department should be allowed an opportunity to examine all these questions, and thereafter it may come up before the Public Accounts Committee if there is anything left to be brought before the Committee. The Chairman stated :—

"These accounts relate to the year 1957-58. The notes were made by the Finance Minister as far back as 1962. I consider that instead of saving time this will protract the consideration of the questions and the Committee, therefore, decides to proceed with the deliberations and in the meantime if the Finance and the Audit can agree as being satisfied on any question, the same may be dropped and need not be brought before the Committee. The rest of the matters will come up before the Committee".

The Deputy Secretary produced before the Committee a letter dated the 19th February, 1963, from the Director of Commercial Audit, who has made a request to be present at the meeting being arranged then by the Finance Department. The Chairman said that the Committee will be glad to receive the co-operation of the Director of Commercial Audit and he may be present at the next meeting.

Page 32—Under the Head "Treasury Inspection" the objection Nos. 1, 2, 3, 4 and 5 were discussed and it was found that it was not necessary to pursue the matter.

Page 32. (c) Local Audit of other Civil Offices.

The Committee was of the opinion that no action was necessary and the matter was dropped.

Pages 33—45—The Committee decided that explanations should be called for from various Departments referred to on pages 34—45 to explain the irregularities, losses and short falls and also to state that what action has been taken to deal with officers or persons concerned and if no action has been taken what action is contemplated and why action has been delayed. A full and complete explanation may be given giving all the details.

Page 46—Audit of grants-in-Aid—The Committee decided that certificate to the effect that the grants were spent on the objects for which they were meant and in accordance with the prescribed conditions may be called for from—

- (1) the Director, Health Services, Lahore,
- (2) the Director of Education, Lahore Region, and
- (3) the Inspector-General of Prisons, Lahore.

Page 46—III—Secret Service Expenditure—The Committee decided that certificates in the prescribed form should be called for from the Heads of relevant Departments in regard to expenditure for the year 1957-58 under this Head. The explanation should also be called for as to why certificates were not submitted in time. The Committee further directed that it should be made clear to the Heads of Departments that the Committee took a serious view of the delay in submitting these certificates. As the expenditure under the Head : 'Secret Service' is not subject to audit it is of the utmost importance that the certificates should be submitted in time.

Page 47—IV—Financial Review of an Engineering Project—The Committee decided that explanation should be asked for on the points raised in the Report,

which might be examined by the Audit, and if the Audit was satisfied it need not come before the Committee. If, however, the Audit was not satisfied, the same may come before the Committee.

Page 48—Schemes of State Trading—It was brought out that the Consolidated running accounts of the foodgrains supply scheme for the year 1955-56 to 1957-58 were not available in time for inclusion in this Report. The said accounts are not available even until now. The Committee took a very serious view of this and directed that the department concerned should be called upon to explain why the accounts were not available for audit and should be further called upon to make available the accounts for audit to the Accountant-General, West Pakistan without further loss of time, to pin-point who were responsible for this state of affair and to intimate the action taken or contemplated to be taken against the persons concerned.

Pages 49—56—The Committee decided that the Audit Department should re-examine these cases and bring up before the Committee such cases with respect to which they were not satisfied. The rest might be dropped.

Pages 57—58—Arrears in Accounts Documents and returns—The latest position was brought before the Committee by the Director of Audit as per Annexure 'A' and it was decided by the Committee that the explanation should be called for from the departments concerned in respect of the latest position and the same should be put up before the Committee at its next meeting.

Pages 59—61—The attention of the Committee was drawn to the fact that in all these cases, the audit objections were not attended to by the departments concerned although they, under the rules, should have been attended to within six weeks of the receipt of the objections. The Committee took a very serious view of the situation. This attitude of the departments concerned they observed practically nullified the whole object of audit and could not be tolerated. The Committee decided that the audit objection to each of these cases should be answered and complied with, and report of compliance submitted to the Accountant-General/Director of Audit and Accounts (Works) for his examination.

The Committee further decided that action should be taken against the officers who were responsible for non-compliance with the audit reports, and for this purpose the Heads of the Departments should be called upon to name the officers concerned and suggest what action should be taken against them for this grave irregularity.

Pages 61-62. "Public Works Offices"—The Director, Audit and Accounts (Works) placed before the Committee the latest position of the outstanding inspection reports and audit notes Annexure 'B'. The decision of the Committee on this item is the same as in relation to the items on pages 59—61.

Page 68—The Committee decided with respect to Note 3 that the list of remissions and abandonment of claims to revenue sanctioned during the year should be submitted by the Departments concerned to the Audit without delay. The Committee further directed that the Department should be asked to explain the delay in submitting this list and fix responsibility of the officer concerned.

Page 70—Opium Department Note 4—The same decision as above.

Page 74—Note 5—Stock Account—Same as above.

Page 75—Note 4. Store Account—Same observation

Page 82—Under the Head "Irrigation Works" (Grant No. 10)—The Committee decided that explanation be furnished by the Department concerned to the Audit for the excess expenditure and also fix responsibility of the officers

concerned both for the excess expenditure and for the non-submission of the explanation.

Page 104. 'Infringement of Financial Rules'—The Committee took a serious view of the fact that an officer was appointed without sanction and was paid his salary by issuing cheques on the Treasury and charged the same to 'Miscellaneous Public Works Advances' for three years. The Committee was not satisfied with the explanation as given in the Report and directed that the Head of Department concerned should be asked to give a satisfactory explanation and also fix the responsibility of the officer who was responsible for the appointment and for the withdrawal of the money by cheques from the Treasury charging it to 'Miscellaneous Public Works Advances'.

Page 104. "Sales of Government Stores"—The Committee took a serious view of the sale on credit against Government orders and the non-realisation of the outstanding balance of Rs. 24,475 and directed that the explanation of the Department concerned should be called for and the Department asked to fix responsibility of the Officer concerned and also state as to what action has been taken and if no action has been taken reasons therefor.

Page 165. Grant No. 29—Civil Works—Item (iii) 'Inevitable expenditure'—The Committee directed that the explanation of the Department concerned should be called for as to why the expenditure of Rs. 23,07,330 was considered 'inevitable expenditure' in connection with the maintenance of roads and repair of buildings, especially, when the Government had curtailed such expenditure. A full explanation should be given fixing the responsibility of the officer concerned for this excess expenditure against Government policy.

The Committee further directed that explanation in regard to the expenditure of Rs. 4,23,399 (Item No. (v) should also be called for.

Page 168. 'Suspense'—The Committee viewed with concern the increase from Rs. 952 lakhs to 1188 lakhs in the suspense balances and directed that the Departments concerned should be called upon immediately to effect clearance of this account, fix responsibility of the officers concerned for non-clearance and report clearance by the next meeting or at least submit an interim report of the extent the account is cleared.

Page 173—Attention of the Committee was drawn to the fact that the sanctioned reserve limit for stores for the year 1957-58 was Rs. 274 lakhs, whereas the closing balance on 31st March 1958 was Rs. 726 lakhs and odd, and the opening balance on 1st April 1957 was 636 lakhs and odd. It would thus appear that stores of a value of 5 crores were in excess of the sanctioned reserve limit. The Committee decided that an explanation should be called for these cases, giving reasons and full facts and figures. The Committee further directed that it should be brought to the notice of the Heads of the Departments concerned that this type of excess stores being retained and purchased, apart from resulting in loss on account of deterioration and damage, also lent colour to the view that there might be pilferage and other illegal disposal of such stock. The reply should be given taking into consideration this view point of the Committee.

Pages 173-174—'Delay in recovery of cost of materials found short', "Sales on credit" and 'Fictitious Stock Adjustments'. The Committee directed that explanation should be called for from the Departments concerned who should fix responsibility of the officers concerned for the irregularities and also state the action taken or contemplated and if no action has been taken reasons therefor.

Page 203—'Irregular payment and temporary misappropriation of cash and double payment'—The Committee decided that explanation should be called for from the department concerned fixing responsibility of the officer con-

cared and stating the action taken or contemplated and if no action has been taken reasons therefor.

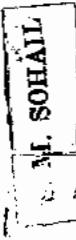
Page 207. 'Major head 81-A'—The Committee directed that the explanation of the Department concerned should be called for.

The Deputy Secretary (Finance) pointed out whether it would be in order for the Finance Department to continue to clear up as many of the questions as possible during the interval between this meeting and the next. The Committee was quite agreeable to this procedure being followed and observed that the Finance Department might clear up as many questions as they could in consultation with the Audit and wherever the Audit was satisfied, the matter need not be brought before the Public Accounts Committee.

The Committee directed that a copy of the proceedings of this meeting should be sent to the Finance Department for necessary action on the decisions taken by the Committee.

The replies received from the Departments concerned should be sent to Audit for vetting and their remarks thereon before they were placed before the Committee.

The Committee then adjourned to meet again at 9:00 a.m. on the 2nd October, 1963.



Standing Committee on Public Accounts

STATEMENT SHOWING YEAR-WISE POSITION OF AWAITED ACCOUNTS DOCUMENTS AND RETURNS UPTO 1961-62.

ANNEXURE A

Serial No.	Name of Document Returns	Name of Department	1943-44	1944-45	1945-46	1946-47	1947-48	1948-49	1949-50	1950-51	1951-52	1952-53	1953-54	1954-55	1955-56	1956-57	1957-58	1958-59	1959-60	1960-61	1961-62	Total		
1	Stock Return..	Irrigation	1	1	1	1	2	1	4	8	10	19	53	99	144	345		
		Irrigation Divisions transferred to WAPDA.	1	1	3	2	7		
		Irrigation Divisions transferred to A.D.C.	4	5	3	12		
		Building and Road		
		Public Health Engineering.	2	2	5	9	
		Electricity WAPDA..	1	1	..	5	6	7	10	10	12	18	9	70	
		Grand Total	1	2	2	1	7	10	10	10	18	20	27	49	113	178	233	
2	Form 46/51-Re-view balances.	Irrigation	1	1	1	1	1	1	1	1	1	1	1	2	4	8	15	27	50
		Irrigation Divisions transferred to WAPDA.	1	1	3	3	1	16
		Irrigation Division transferred to A. D. C.	1	3	3	7	..	
		Building and Road	1	1	1	2	8	35
		Electricity WAPDA..	4	14	2	..	20	
		Grand Total	1	1	1	2	2	..	1	2	3	4	11	27	28	41	77	201	
3	Capital and Revenue Ac-counts of Gov-ernment Resi-dential Build-ings.	Irrigation	1	1	1	1	1	2	4	4	4	5	5	4	4	4	5	6	8	10	16	29	116	
		Irrigation Divisions transferred to A.D.C.	1	..	1	..	1	
		Building and Road	1	1	2	4	6	
		Electricity WAPDA..	1	33	
		Grand Total ..	1	1	1	1	1	3	4	4	4	5	6	6	6	6	6	8	9	12	14	22	17	
			1	1	1	1	1	3	4	4	4	5	6	6	6	6	6	8	9	12	14	22	17	
			1	1	1	1	1	3	4	4	4	5	6	6	6	6	6	8	9	12	14	22	17	
			1	1	1	1	1	3	4	4	4	5	6	6	6	6	6	8	9	12	14	22	17	

ANNEXURE 'A'
STATEMENT SHOWING YEAR WISE POSITION OF AWAITED ACCOUNTS DOCUMENTS AND RETURNS UPTO 1961-62

Serial No.	Name of Document Returns	Name of Department	1943-44												1944-45												1945-46												1946-47												1947-48												1948-49												1949-50												1950-51												1951-52												1952-53												1953-54												1954-55												1955-56												1956-57												1957-58												1958-59												1959-60												1960-61												1961-62												Total																																																																																																																																																																																																																																																																																									
1943-44	1944-45	1945-46	1946-47	1947-48	1948-49	1949-50	1950-51	1951-52	1952-53	1953-54	1954-55	1955-56	1956-57	1957-58	1958-59	1959-60	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66	1966-67	1967-68	1968-69	1969-70	1970-71	1971-72	1972-73	1973-74	1974-75	1975-76	1976-77	1977-78	1978-79	1979-80	1980-81	1981-82	1982-83	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-2000	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031	2031-2032	2032-2033	2033-2034	2034-2035	2035-2036	2036-2037	2037-2038	2038-2039	2039-2040	2040-2041	2041-2042	2042-2043	2043-2044	2044-2045	2045-2046	2046-2047	2047-2048	2048-2049	2049-2050	2050-2051	2051-2052	2052-2053	2053-2054	2054-2055	2055-2056	2056-2057	2057-2058	2058-2059	2059-2060	2060-2061	2061-2062	2062-2063	2063-2064	2064-2065	2065-2066	2066-2067	2067-2068	2068-2069	2069-2070	2070-2071	2071-2072	2072-2073	2073-2074	2074-2075	2075-2076	2076-2077	2077-2078	2078-2079	2079-2080	2080-2081	2081-2082	2082-2083	2083-2084	2084-2085	2085-2086	2086-2087	2087-2088	2088-2089	2089-2090	2090-2091	2091-2092	2092-2093	2093-2094	2094-2095	2095-2096	2096-2097	2097-2098	2098-2099	2099-20100	20100-20101	20101-20102	20102-20103	20103-20104	20104-20105	20105-20106	20106-20107	20107-20108	20108-20109	20109-20110	20110-20111	20111-20112	20112-20113	20113-20114	20114-20115	20115-20116	20116-20117	20117-20118	20118-20119	20119-20120	20120-20121	20121-20122	20122-20123	20123-20124	20124-20125	20125-20126	20126-20127	20127-20128	20128-20129	20129-20130	20130-20131	20131-20132	20132-20133	20133-20134	20134-20135	20135-20136	20136-20137	20137-20138	20138-20139	20139-20140	20140-20141	20141-20142	20142-20143	20143-20144	20144-20145	20145-20146	20146-20147	20147-20148	20148-20149	20149-20150	20150-20151	20151-20152	20152-20153	20153-20154	20154-20155	20155-20156	20156-20157	20157-20158	20158-20159	20159-20160	20160-20161	20161-20162	20162-20163	20163-20164	20164-20165	20165-20166	20166-20167	20167-20168	20168-20169	20169-20170	20170-20171	20171-20172	20172-20173	20173-20174	20174-20175	20175-20176	20176-20177	20177-20178	20178-20179	20179-20180	20180-20181	20181-20182	20182-20183	20183-20184	20184-20185	20185-20186	20186-20187	20187-20188	20188-20189	20189-20190	20190-20191	20191-20192	20192-20193	20193-20194	20194-20195	20195-20196	20196-20197	20197-20198	20198-20199	20199-20200	20200-20201	20201-20202	20202-20203	20203-20204	20204-20205	20205-20206	20206-20207	20207-20208	20208-20209	20209-20210	20210-20211	20211-20212	20212-20213	20213-20214	20214-20215	20215-20216	20216-20217	20217-20218	20218-20219	20219-20220	20220-20221	20221-20222	20222-20223	20223-20224	20224-20225	20225-20226	20226-20227	20227-20228	20228-20229	20229-20230	20230-20231	20231-20232	20232-20233	20233-20234	20234-20235	20235-20236	20236-20237	20237-20238	20238-20239	20239-20240	20240-20241	20241-20242	20242-20243	20243-20244	20244-20245	20245-20246	20246-20247	20247-20248	20248-20249	20249-20250	20250-20251	20251-20252	20252-20253	20253-20254	20254-20255	20255-20256	20256-20257	20257-20258	20258-20259	20259-20260	20260-20261	20261-20262	20262-20263	20263-20264	20264-20265	20265-20266	20266-20267	20267-20268	20268-20269	20269-20270	20270-20271	20271-20272	20272-20273	20273-20274	20274-20275	20275-20276	20276-20277	20277-20278	20278-20279	20279-20280	20280-20281	20281-20282	20282-20283	20283-20284	20284-20285	20285-20286	20286-20287	20287-20288	20288-20289	20289-20290	20290-20291	20291-20292	20292-20293	20293-20294	20294-20295	20295-20296	20296-20297	20297-20298	20298-20299	20299-20200	20200-20201	20201-20202	20202-20203	20203-20204	20204-20205	20205-20206	20206-20207	20207-20208	20208-20209	20209-202010	202010-202011	202011-202012	202012-202013	202013-202014	202014-202015	202015-202016	202016-202017	202017-202018	202018-202019	202019-202020	202020-202021	202021-202022	202022-202023	202023-202024	202024-202025	202025-202026	202026-202027	202027-202028	202028-202029	202029-202030	202030-202031	202031-202032	202032-202033	202033-202034	202034-202035	202035-202036	202036-202037	202037-202038	202038-202039	202039-202040	202040-202041	202041-202042	202042-202043	202043-202044	202044-202045	202045-202046	202046-202047	202047-202048	202048-202049	202049-202050	202050-202051	202051-202052	202052-202053	202053-202054	202054-202055	202055-202056	202056-202057	202057-202058	202058-202059	202059-202060	202060-202061	202061-202062	202062-202063	202063-202064	202064-202065	202065-202066	202066-202067	202067-202068	202068-202069	202069-202070	202070-202071	202071-202072	202072-202073	202073-202074	202074-202075	202075-202076	202076-202077	202077-202078	202078-202079	202079-202080	202080-202081	202081-202082	202082-202083	202083-202084	202084-202085	202085-202086	202086-202087	202087-202088	202088-202089	202089-202090	202090-202091	202091-202092	202092-202093	202093-202094	202094-202095	202095-202096	202096-202097	202097-202098	202098-202099	202099-2020100	2020100-2020101	2020101-2020102	2020102-2020103	2020103-2020104	2020104-2020105	2020105-2020106	2020106-2020107	2020107-2020108	2020108-2020109	2020109-2020110	2020110-2020111	2020111-2020112	2020112-2020113	2020113-2020114	2020114-2020115	2020115-2020116	2020116-2020117	2020117-2020118	2020118-2020119	2020119-2020120	2020120-2020121	2020121-2020122	2020122-2020123	2020123-2020124	2020124-2020125	2020125-2020126	2020126-2020127	2020127-2020128	2020128-2020129	2020129-2020130	2020130-2020131	2020131-2020132	2020132-2020133	2020133-2020134	2020134-2020135	2020135-2020136	2020136-2020137	2020137-2020138	2020138-2020139	2020139-2020140	2020140-2020141	2020141-2020142	2020142-2020143	2020143-2020144	2020144-2020145	2020145-2020146	2020146-2020147	2020147-2020148	2020148-2020149	2020149-2020150	2020150-2020151	2020151-2020152	2020152-2020153	2020153-2020154	2020154-2020155	2020155-

STATEMENT SHOWING YEAR-WISE POSITION OF THE AWAITED DOCUMENTS RETURNS UPTO 1961-62

ANNEXURE 'B'

Name of Department	1947-48	1948-49	1949-50	1950-51	1951-52	1952-53	1953-54	1954-55	1955-56	1956-57	1957-58	1958-59	1959-60	1960-61	1961-62	Total
INSPECTION REPORT																
1. Irrigation	20	44	60	69	82	105	87	855
2. Irrigation Divisions transferred to WAPDA..	4	4	8	11	13	15	2	552
3. Irrigation Divisions transferred to A. D. C.	4	4	4	4	4	4	4	60
4. Buildings and Roads	2	2	3	2	4	3	4	42
5. Buildings and Roads Divisions transferred to A. D. C.	1	1	1	11	38	47	57	385
6. Public Health Engineering	1	1	2	3	3	3	2	26
7. Electricity (WAPDA)	1	..	3	7	8	28
Grand Total	2	4	8	40	79	120	146	1,140
AUDIT NOTES																
1. Irrigation	7	12	35	39	38	425
2. Irrigation Division transferred to WAPDA..	2	15	23	4	11	8
3. Irrigation Divisions transferred to A.D.C.
4. Buildings and Roads	7	8	11	20	13	47	69	276
5. Public Health Engineering	570
6. Electricity (WAPDA)	9	13	13	27	23	23	71	164
Grand Total	9	22	21	40	50	68	175	1,576
TEST Audit Notes																
1. Irrigation	1	2	2	3	2	7	11	10
2. Irrigation Divisions transferred to WAPDA.	1	1	1	1	1	1	1	1	1	1	2	2	2	1	4	20
3. Buildings and Roads
4. Public Health Engineering
Grand Total	1	1	1	1	2	3	4	3	5	5	5	10	15	19	27	42
	1	1	1	1	2	3	4	3	5	5	5	10	15	19	27	189

PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE ON PUBLIC ACCOUNTS
 HELD ON 28TH APRIL, 1964 FROM 3 P.M. TO 7 P.M. AND ON 29TH APRIL, 1964 FROM
 8 A.M. TO 1 P.M. IN THE COMMITTEE ROOM OF THE GOVERNMENT HOUSE,
 10—VICTORIA ROAD, KARACHI

Present:-

(1) Mr. S. M. Sohail, M.P.A.,	.. Chairman
(2) Sardar Ahmed Ali, M.P.A.,	.. Member.
(3) Mr. Ghulam Muhammad Shah, M.P.A.,	.. Member.
(4) Khan Ata Husain Khan Khakwani, M.P.A.	.. Member.
(5) Ch. Muhammad Iqbal, Secretary, Provincial Assembly of West Pakistan.	Ex-officio Secretary
(6) Mr. S.M. Nasim, C.S.P., Additional Finance Secretary, Government of West Pakistan, assisted by Mr. Tariq Saeed Jafri, C.S.P., Deputy Secretary, Finance.	Expert Advisor.
(7) Mr. S.M.A. Subzwari, P. A. & A. S., Accountant-General, West Pakistan.	By invitation.
(8) Ch. Muhammad Ali Khan, P. A & A. S., Deputy Director, Audit and Accounts (Works).	By invitation.
(9) Mr. Rafiq Inayat, C.S.P., Secretary to Government of West Pakistan Communications and Works Department.	By invitation

and Regional Heads of Departments of the Communication and Works Department were also present.

II. (1) Before examining the explanation submitted by Heads of Departments explaining divergencies between figures of (i) final grant or appropriation and (ii) actual expenditure as disclosed by the Appropriation Accounts for the year, 1957-58, the Committee took a note of the fact that the final grant under the head "33-Civil Works—Capital" was Rs. 13,61,47,610 out of which the total expenditure incurred was Rs. 8,55,69,467 and there was a saving of Rs. 5,05,78,143. The result was that there was a saving of 37.15 per cent under this head. As against this under the head "29-Civil Works" out of the final grant of Rs. 4,18,02,600 the total expenditure was Rs. 6,16,82,028 resulting in an excess expenditure of Rs. 1,98,79,428. The Committee considered this matter in some detail.

(2) For the following reasons the Committee was of the view that it was of the utmost importance that the amount budgeted for various works should be spent during that year on the works and all efforts should be made so that the funds provided for are utilized.

(i) Amount is provided for in the budget after careful deliberation for works which are considered necessary in the interest of nation-building and if a work is not executed the result is not that a saving has been effected but that an important work which had to be carried out and which would have contributed to greater welfare of the nation has not been executed and to that extent while the money has remained idle the nation has remained poorer;

(ii) The grants in the budget are made for different regions according to the requirements of those regions keeping in mind certain proportion of progress achieved in each region. If works are not carried out and for that reasons one or more region suffers, the development of the country to that extent becomes retarded and Government is unnecessarily subjected to avoidable criticism;

(iii) The responsibility of the Departments is to carry out the policy of Government in the letter and spirit. The Budget reflects the policy of Government and non-compliance with the budgetary provisions by effecting the so-

called savings, tantamounts to virtually altering or changing Government policy in respect of development to the extent that the works are not executed;

(3) The position in respect of excess of expenditure is similar and equally deplorable. Except where excess is unavoidable and brought about by factors beyond reasonable human anticipation it is difficult to exonerate it. Excess expenditure tantamounts to Departments taking upon themselves framing of policy to spend whatever they wish on works contrary to what the Government wished to spend on those works.

(4) The Committee was very anxious to know the point of view of the Administrative Department, the Heads of the spending Departments and all those other Government officials who run this part of the Government machinery to find out the why's and wherefores of this position and thereby make recommendations so that this thing may be avoided in future.

(5) The Additional Finance Secretary explained that the budgets are prepared in anticipation and consequently when what is anticipated cannot be executed savings become unavoidable. Similarly when the actual work is started and it becomes necessary to spend further amount to complete the work the excess is unavoidable.

(6) The Secretary, Communication and Works Department explained that spending involves an activity of several Departments and quite often it happens that necessary work cannot be executed because of the failing of the Department other than the Public Works Department for which the latter should not be held responsible unless drastic changes in the existing rules are made.

(7) Mr. Hameed-ud-Din, Chief Engineer, Southern Region, was examined by the Committee on this question and in his opinion the reasons for savings and excess were the same as explained by the Additional, Finance Secretary. As far as the excess is concerned his opinion is that the budgetary provisions in those cases where excess expenditure was incurred was for some reason or the other unavoidable and therefore change was necessary in case of excess. He submitted a written note which is appended as Annexure 'A'. He also gave a copy each of two previous reports on the subject.

(8) Mr. A. R. Qureshi, Chief Engineer, Central Region, was then examined by the Committee. He wished that he had known that this point was being so pointedly discussed here. He stated that it was really a very important point; that recently, as desired by the Minister for Communication and Works, he had analysed the cause of backward expenditure regarding each major work as to what really were the bottle-nocks which were not allowing expenditure progress in a note submitted to the Minister and promised to send a copy of it for the information of the Committee. He said that major reason was actually what Secretary, Communication and Works had stated but he developed the point further. He stated :

"We have been really impressing and pressing on the authorities for a number of years that to make a provision for any particular work in a particular year, unless there was administrative approval for it, was not the right thing. Actually it was very hard with us because when a provision is made and we find that there is absolutely no scheme then we have to start the whole thing from *ab initio*. The whole procedure of the execution of public works is that when a job is to be done a particular Department comes to us and gives us their main requirement about a particular scheme and then we have to give them what we call a 'rough cost estimate' so that the competent administrative approval is accorded. Although we call it a rough cost estimate but this is such an important subject that everything is based on this. Only an excess of 5 per cent can be allowed in the detailed estimate. Beyond the detailed estimate also an excess of

6 per cent can be allowed which means 10 per cent more. So that becomes a very important point in this question of budget and execution. When they come to us for rough cost estimate, naturally, the rough cost estimate should take some time so that it is prepared with a reasonable amount of care. Since it is not a detailed estimate we will not say it has received details here but it must receive reasonable care. Therefore, it takes us some time to prepare the estimate. Then we get the administrative approval from the sponsoring Department and they also take some time after we have given them the rough cost estimate. According to the present day practice it is not the sponsoring Department who goes to the Finance Department for funds. The schemes go to various development Departments, i.e. on the Provincial level, on the Central level and on the Committee level. So this thing shows that the process of our receiving the administrative approval is quite a lengthy one and if that is started during the particular year when the funds are allotted then some time goes off in our getting to that particular stage. We can do nothing unless we have that document in hand. Once we get that administrative approval, which takes so much amount of time, then we have to start preparing a detailed estimate and for detailed estimate, detailed surveys are required in the field and lot of data has got to be collected. Therefore, it takes lot of time. After we have prepared the detailed estimate then the technical sanction rests with the Public Works Department. After the technical sanction has been accorded, we are ready to take steps to start the work but before doing that we should be sure that we have got the site also. The site is provided by the sponsoring Department, for example, the Education Department, the Health Department or the Agriculture Department whichever it is. They have to give us the site. As a matter of fact, when we are preparing these estimates we have to inquire from them at that stage whether they were going to provide the site free of cost or we were going to make a provision for the cost of the site. This is very important that site should be available. As a matter of fact the question of site is so important that we should know about the site before we even start preparing the rough cost estimate. The position of the site must be known first if this is safe from floods or it is not subject to damp. It often happens that we have told the sponsoring Department that the site is not proper one and we have seen that they are helpless. They say that this is the only site available. Therefore, we must know the site before even we start preparing the rough cost estimate. So, site is so important to know the actual factors at that time when we prepare the rough cost estimate. If we ask for site the Department feels that we are going to be very quick about it".

The Chairman: "To sum up, the reason for saving is that in several cases the money granted in the budget cannot be spent for the following main reasons :—

- (a) in some cases the scheme itself is not ready ;
- (b) in some cases the administrative approval is not available well in time ;
- (c) in some cases the site is not clearly defined or available ;
- (d) in some cases technical sanction of the departments is not available"

Mr. A. R. Qureshi, Chief Engineer, Central Region, Lahore : "As I have just stated when we are ready with these things even then we cannot make a start at the site. When the technical sanction is given and the site is available then when it reaches that particular office where the tenders are invited there also some time is required. We have to fix some period for the calling of tenders depending on the nature of the works. Sometimes we give about a fortnight, sometimes we give a month and we do it according to the public interest. We are very lucky if we arrive at a reasonable tender on the very first attempt or we have the necessary competition in that particular invitation of tenders.

So often it happens that we have got to keep in view that the man who is entrusted to do this work is of the proper type. We have two ways of proceeding with the question of tenders. Sometimes the work is very big and we pre-qualify the contractor. For highly technical type of jobs we pre-qualify the contractors. For getting those type of contractors who are to be pre-qualified sometime is taken and then accepting them as the pre-qualified contractors tenders are called from them. Usual cases are that we have our registers of first-class contractors, second class contractors and third class contractors depending on the magnitude of the works the tenders are called. As I said earlier, we are lucky if we find the right man with reasonable tender at the very first attempt. My own experience is that we have to call tenders at least for a couple of times. Sometimes it happens that the number of tenders is very low."

The Chairman : "The point will be to find out the proper contractor on reasonable rates. This is your point ?".

Chief Engineer : "Yes, Sir."

The Chairman : We are only thinking of avoidable delays. I mean those delays which can be avoided."

Chief Engineer : "The administrative approval should be there before the funds are allotted.."

Additional Finance Secretary : "This Committee should see whether any excess or saving has been done due to the fault of the Department on these grounds or due to grounds beyond the control of the Department. These are the views of the Chief Engineer and so far as this Committee is concerned it is irrelevant."

The Chairman : "Is the fault in the system?"

The Additional Finance Secretary : "Not the system but in the working of the system."

The Chairman: "Can we substitute something else for tenders ?"

Chief Engineer "This I am not answering. My object in explaining the whole thing was that no doubt when it comes to the stage of our having received the administrative approval that everything has to be done by us. Whatever we have to do so much time is taken. Since we have necessarily to take that time in carrying out the details, the calling of tenders, etc., my point was that if on the starting day of 1st July of a particular year we have had the administrative approval in our hands and the site is available we are already working on the preparation of the detailed estimate so that the time which is wasted as far as we are concerned spending on the preparation of the rough cost estimate is utilized straight away on the preparation of the detailed estimate. I have been insisting on this point for so many years and I strongly emphasise it now."

(9) The Additional Finance Secretary stated that the suggestion of the Chief Engineer, Central Region that the budget provision regarding a scheme should only be made when all the details have been worked out is not acceptable on the ground that this will retard the development programme. A budget provision is made as soon as the department approaches the Finance Department through relevant channels for inclusion of a development scheme. If the budget provisions is stopped till the completion of all the stages of the scheme i.e. administrative approval, selection of site, etc., then the development plan will be kept pending for a long time thus retarding the progress of the country.

(10) The Accountant-General West Pakistan stated :—

"Unnecessary controversy appears to have been raised on the question whether budget provisions should be made before or after the completion of necessary formalities such as administrative approval, technical sanction, etc. As

far as I recollect the provisions in the Budget Manual are clear to the effect that provisions should be made only after the completion of all necessary formalities. In framing the budget the target really before the Finance Department is that the budget should reflect, as far as possible, the actual state of spending, i.e. that the spending authorities should be in a position to spend all the moneys which have been provided to them in the budget instrument. If the Finance Department feels, on the basis of past experience, that completion of formalities takes longer time then the span of a budget the obvious remedy should be that they should rigidly enforce the drill prescribed in the Budget Manual. I entirely agree that budget is only a forecast but this forecast is based on real foundations of accumulated experience, detailed calculations, and careful assessment, at several stages, of potentialities and obstacles. Thus based, a good budget would conform to actual subsequent happenings. Having framed the budget and having got the approval of the Assembly to it, the Government still retains the opportunity of keeping actual spending under constant review and whenever they feel that actual spending can not be regulated within the confines of the budget they can adopt the next best alternative of having the budget itself retailored to fit the new dimensions for spending.

It is within their power to recast their estimates and to go before the Assembly. Even as late as the last date of year, the Government retains the power of reappropriating the funds. Having provided all these built-in devices, there can be no acceptable arguments for wide variations between final modified grants and actual expenditure."

(11) The Deputy Director of Audit and Accounts (Works) stated that for seven months the Departments prepared lists of excesses and surrenders and then they judged what amount they had to spend during the remaining five months of the year and after preparing that final estimate still they saved two crore rupees. There was no justification for it.

(12) The Committee then proceeded to examine the explanation submitted by the Communication and Works Department.

Paragraph 5, page 5 of Appropriation Accounts—Savings of Rs. 2,08,78,270 under head 81-Capital Accounts of Civil Works outside Revenue Account.

Forest Department—The Saving being of Rs. 22,000 in respect of the works of Forest Department being small the item was dropped.

General Administration—Slow progress of work on District Headquarters Building at Thatta. Saving Rs. 20,00,000.

Mr. Hameed-ud-Din explained that this saving on account of slow progress of work was due to shortage of cement but he was unable to produce any document in support of his contention before the Committee. He was asked whether he had any document to show that there was shortage of cement at the relevant time on this work. He stated that there was a stock register which would show whether cement was available or not and that he would produce it. He also said that the Department had placed indents for the supply of cement and he promised to produce the documents the next day. He further said that there were Government orders to curtail the scope of work but the information supplied by him also did not show the extent of curtailment. The Committee with regret put on record the fact that the information supplied to the Committee, although it was required to be a detailed one, was in fact no information at all.

The Committee considered that in the case of the Communication and Works Department where they are carrying out projects on behalf of other departments wherever there is an Audit objection and some information has to be obtained from the Administrative Department concerned it should be done by the Communication and Works Department and their explanation should be as complete as possible.

<i>H. Administration of Justice—Non-receipt of Administrative Approval for the work-transfer of Headquarter of Session Judges from Lahore and Montgomery.</i> Saving Rs. 76,950.	The Secretary, Communication and Works Department was unable to explain the position as he had not obtained the necessary information from the Home Department.
<i>Jail Convict Settlement—Saving Rs. 96,890.</i>	The explanation was found satisfactory and the item was dropped.
<i>Police—Saving Rs. 55,280 ..</i>	The explanation was found satisfactory and the item was dropped.
<i>Education—Transfer of the work Bhitshah Culture Centre. Saving Rs. 5,00,000.</i>	Ditto.
<i>Postponement of work at Pre-Cadet College, Mirpurkhas. Saving Rs. 1,50,000.</i>	Ditto.
<i>Slow Progress on account of late sanction of tenders for boys high school at Sanghar and Matli, Saving Rs. 4,00,000.</i>	The Communication and Works Department offered to produce the necessary records to justify the late sanction of tenders.
<i>Non-selection of site and receipt of Administrative approval from Education Department in respect of new building sanctioned in Schedule of New Expenditure for 1957-58. Saving Rs. 12,18,500.</i>	The explanation was considered satisfactory and the item was dropped.
<i>N—Public Health—Slow progress on work regarding constructing E.N.T. and Outdoor Ward in B. V. Hospital at Bahawalpur Saving Rs. 5,51,420.</i>	The explanation was not considered satisfactory and it seemed that no penalty was imposed on the contractors.
<i>O—Agriculture—Slow progress on the new works on account of late selection of sites. Saving Rs. 34,52,765.</i>	The Agriculture Department is squarely responsible for not having obtained the administrative approval and not selecting the site in time as a result of which this huge amount has remained unspent and which should have been utilized for improvement in the Department of Agriculture.
<i>P—Veterinary—Non-receipt of administrative approval from the Administrative Department. Saving Rs. 25,63,500.</i>	The Agriculture Department is squarely responsible for not having obtained the administrative approval, as a result of which this huge amount has remained unspent and which should have been utilized for improvement in the Department of Agriculture.
<i>The Committee at this stage arrived at the conclusion that the Communication and Works Department had short notice and could not furnish complete explanations. The Committee was of the view that the matter was so important that it should be taken up again at its next meeting and the Communication and Works Department should obtain as complete information as is possible, from the Administrative Department concerned, and if necessary bring the necessary records alongwith them at the next meeting when this Account is considered again.</i>	

(13) *Page 7, para 8—Excess over Voted Grants*—The above remarks of the Committee apply equally to Item No. 4 "29—Civil Works" where an excess of Rs. 1,98,79,428 has occurred. The Communication and Works Department should furnish the necessary explanation for this excess at the next meeting.

(14) The Committee felt that they should have necessary staff of their own and the correspondence with the Departments, instead of being done through the Finance Department, should be direct between the Secretariat of the Committee and the Departments concerned. The Committee was of the view that one full Branch with a Superintendent, two Assistants, 2 Senior Clerks and 3 Junior Clerks should be made available for this purpose. The Committee directed the Secretary to make a reference to the Administrative Department for the creation of necessary posts with immediate effect so that this work is taken over by the Assembly Secretariat as soon as the staff has been recruited. The Accountant-General, West Pakistan agreed to lend the services of one experienced Superintendent and one Assistant to Assembly Secretariat for attending to this work. For the rest of the staff Mr. S. M. Nasim, C. S. P., Additional Finance Secretary promised to help to secure the services of experienced staff from the Services and General Administration Department. The Committee considered that it is necessary to set up this machinery as the Committee found that all its efforts to make progress in finalising the examination of these accounts become abortive for want of necessary staff for complicated channels of correspondence. Unless this office is set up the Committee may have to go on working endlessly without arriving at any result.

(15) The Committee considered para. 17 (a) (1) regarding expenditure on works in anticipation of technical sanction to estimates. It appeared that a total of 2,349 works of the value of Rs. 5,77,89,389 were undertaken without technical sanction to estimates. Attention of the Committee was drawn to the fact that the *Ad hoc* Public Accounts Committee at a meeting held on the 4th and 5th December, 1961, while examining this question, made the following observations:—

"The Committee took a serious view of the fact that in many cases expenditure was incurred without proper sanction. It desired that strict instructions should be issued emphasizing that officers who proceed to incur expenditure without provision of funds and proper sanction should be severely dealt with. Immediately such an irregularity is committed, the Audit should submit a special report to Government in the Irrigation, Communication and Works Department and the Finance Department so that immediate disciplinary action may be taken against the officers concerned."

The Committee was in full agreement with the above observation and desired to repeat that as soon as such an irregularity is committed, the Audit Department should submit a report to Government in the Communication and Works Department so that immediate disciplinary action may be taken against the officers concerned. As far as the year in question is concerned, the Committee found that the explanations submitted for not obtaining necessary sanction were inadequate and unacceptable. It was pointed out that in subsequent years this number had been substantially decreased. The Committee observed that this point may be considered in the mitigation of the irregularities.

(16) *Page 16, para. 17 (a)4/1*—The entire amount has been recovered and warning has been given to the Sub-Divisional Officer. No further action seems necessary and the para is dropped.

(17) *Page 16—para. 17(a)4,2*—The amount has been recovered. The Sub-Divisional Officer has died. The matter is, therefore, dropped.

(18) *Page 18, para. 17(1)5/2*—The Committee was satisfied with the explanation. The para was dropped.

(19) *Page 21, para. 17 (a)(13)*—The Committee was satisfied with the explanation. The para was dropped.

(20) *Pages 57-58, para. 18 (iii)*—The attention of the Committee was drawn to the proceedings of the *Ad hoc* Public Accounts Committee held on the 4th and 5th December, 1961. While considering the question that Committee directed that Chief Engineers should finalise the outstanding cases expeditiously and report the disciplinary action taken against the defaulting officers. That Committee further directed that severe disciplinary action in two or three cases should be taken so that it may serve as an eye opener for others. It appears that the decision of the *Ad hoc* Public Accounts Committee, which was presided over by the Governor himself has not yet been fully implemented and adequate action has not been taken up till now against anybody to serve as an eye-opener as indicated in the decision of the Committee. The position is that a large number of returns for many many years are still outstanding.

The attention of the Chief Engineer was drawn towards the decision taken by that Public Accounts Committee with the request to take suitable and necessary action and to report the same to this Committee at the next meeting.

The Chief Engineers were further requested to expedite the submission of the necessary returns to the Audit and this question will be taken up by the Committee again at the next meeting.

(21) *Pages 61-62, para. 18 (v)*—It appeared that quite a number of Inspection Reports were still pending replies from the office of the Chief Engineer. The matter was discussed with the Chief Engineers and they promised to personally look into the matter and expedite replies as far as possible before the next meeting.

The Committee postponed consideration of the remaining items.

The Committee then adjourned to meet again on 30th April 1964 at 3-00 p.m. to consider the explanation furnished by Irrigation and Power Department.

S. M. SOHAIL
Chairman,
Standing Committee on Public Accounts.

ANNEXURE 'A'

While discussing the Appropriation Accounts for the year 1957-58 on 28th April 1964, P. A. C. Meeting desired the Chief Engineer, Southern Region, Hyderabad to have a note regarding the main causes for the non-utilization of Budgetary grants in full during the financial year 1957-58. The main reasons are as under :—

(i) In a number of cases such schemes are provided by the Departments concerned in the Budget, which have not been properly processed by them in following respects—

(a) The administrative approvals are not accorded by them before providing the expenditure in the Budget. A few of the instances of this type are as under :—

1. Constructing Buildings additional accommodation for post-graduate classes at Sukkur. The estimated cost of the scheme is Rs. 6,00,000 and the Budget allotment against this scheme during the financial year 1963-64, is Rs. 3,00,000, but the administrative approval of the Department is still awaited.

2. Constructing Building for technical training centre at Hyderabad.

The amount of the sanctioned estimate is Rs. 7,00,000 against which the Budget allotment during the year 1963-64, is Rs. 5,00,000 which is likely to be surrendered as the administrative approval of the Department is still awaited.

(b) The Department concerned take a long time to finalize the plans and give their exact requisite to fit in the budgetary grant. A few cases of this nature are mentioned below :—

1. Constructing Building for Additional accommodation for post graduate classes at Sukkur. The amount sanctioned is Rs. 3,00,000, but the amount is likely to be surrendered as the Department concerned has not given the sites so far.

2. The designs of the Various educational Buildings were framed in such a way that the estimated cost amounted to 4 times to the Budget allotments and when the foreign consultant, Mr. Peter submitted a revised plan it also cost double the amount provided in the Budget. The third time also the plan was again revised by the C. A., which also was not approved by the Department and the C. A. had to resign for this very account.

(c) The Department concerned took a long time to decide the final site of work and in many cases the site of work selected before was changed. A few of the instances of this nature are as follows :—

1. The work of construction of schools was originally planned at Khairpur, but it was subsequently changed to Khanpur. Against the amount of sanctioned scheme of Rs. 4,00,000 the Budget provision for the financial year 1963-64, was Rs. 3,00,000 which will ultimately result in the surrender of the funds.

2. The site for the Building of Degree College at Sukkur has not been acquired so far. The amount of the sanctioned estimate is Rs. 4,00,000 as against which the Budget allotment during the financial year 1963-64 is Rs. 2,40,000.

3. The site for construction of Government Inter College for Girls at Larkana has not so far been finalized. The amount of the sanctioned scheme is Rs. 5,00,000 while the amount of the Budget allotment for this work during the year 1963-64 is Rs. 2,00,000.

4. The site of constructing educational centre was changed from Sukkur to Khairpur and again from Khairpur to Rohri. Against the amount of sanctioned

tioned scheme of Rs. 13,85,066 for these works the Budget allotment was Rs. 5,51,870 during the year 1963-64. The Department has not been able to utilize it.

II. The Budget has to be routed from the Department to the Executive Engineers concerned through the Chief Engineer and the Superintending Engineer concerned which results in delay in start of work and non-utilization of Budgetary grant in full.

III. The delay in selection of site and acquisition of land by the Department concerned results in the non-utilization of the Budget grant in full. A few instances are quoted below :—

(i) The site for constructing additional accommodation for post-graduate classes at Sukkur has not so far been selected.

(ii) A part of the financial year is over in working out the detailed lay out and the plans of buildings after the administrative approval in the case of constructing Agriculture Farm Buildings etc., at Mirpurkhas was received after the expiry of 11 months of the financial year and hence the Budget grant could not be utilized.

(iii) In the case of Preadet College the original site was fixed at but it was subsequently changed to Petero. The main reason was to save the fertile Agricultural land and utilize the waste barren land.

(iv) In many cases the Department curtailed their requirements of buildings, etc., which resulted in the saving in the Budget grant. For example in the case of constructing district Headquarters at Thatta only the residential portion of the buildings were finalized while the non-residential portion of building were un-finalized, which resulted in saving of over Rs. 8,00,000 against the allotment of Rs. 20,00,000.

(v) The delay in the regular supply of material like cement and steel had also been one of the important factors for non-utilization of Budget grants. The request for cement of this region has been curtailed to meet the requirement of East Pakistan thus resulting in the non-utilization of the budget grant in full.

(vi) The delay in the procurement of the imported material like bitumen and machinery is also one of the important factors resulting in the non-utilization of the budget grants. The indent for the requirement of the bitumen during the year 1963-64 was placed by the Secretary under his memo. No. 20-1/63/1790, dated 24th August, 1963, but the supply has not been arranged by the Director-General Supply Department so far and there is likely to be heavy surrender of the Budget.

(vii) In many cases the non-utilization of the budget grant in full is due to non-availability of suitable contractor as for example the work of construction of one Unit Block buildings at Khairpur. Tenders were invited more than three times, but no contractor came forward.

(viii) In many cases the contractors failed to complete the work within the stipulated period which resulted in the non-utilization of the budget grant.

**PROCEEDINGS OF THE MEETINGS OF THE STANDING COMMITTEE ON
PUBLIC ACCOUNTS HELD ON 30TH APRIL 1964, (FROM 3-00 P.M.
TO 6-30 P.M.), ON 1ST MAY 1964, (FROM 8 A.M. TO 12-30 P.M.)
AND ON 2ND MAY 1964 (FROM 8 A.M. TO 1-00 P.M.) IN THE
COMMITTEE ROOM OF THE GOVERNMENT HOUSE,
10-VICTORIA ROAD, KARACHI**

Present :

1. Mr. S. M. Sohail, M. P. A.	.. Chairman
2. Sardar Ahmed Ali, M. P. A.	.. Member
3. Mr. Ghulam Muhammad Shah, M. P. A.	.. Member
4. Khan Ata Husain Khan Khakwani, M.P.A.	.. Member
5. Mr. Muhammed Khan Talpur, M.P.A.	.. Member (on 2nd May, 1964).
6. Chaudhri Muhammad Iqbal Secretary, Provincial Assembly of West Pakistan.	Ex-officio Secretary.
7. Mr. S. M. Nasim, C.S.P., Additional Finance Secretary, Government of West Pakistan, assisted by Mr. Tariq Saeed Jafri, C.S.P., Deputy Secretary, Finance.	Expert Advisor.
8. Mr. S. M. A. Subzwari, P. A & A. S. A. G. West By Invitation. Pakistan.	
9. Ch. Muhammad Ali, P. A & A. S. Deputy Director, Audit (Works).	Ditto.
10. Mr. A. Rashid Qazi, Secretary, Irrigation and Power and Regional Heads of Departments of Irrigation and Power Department and Member (Finance) WAPDA, were also present.	

The Committee proceeded to examine the explanations submitted by Heads of Department of the Irrigation and Power Department, explaining differences between figures of (i) final grant or appropriation and (ii) actual expenditure as disclosed by the Appropriation Accounts for the year 1957-58.

Page 5, para 5 of the Appropriation Accounts Item No. 7, Grant No. 12 Irrigation-Capital:-

The Final grant was Rs. 24,70,79,210.

The expenditure was Rs. 14,65,79,189.

Saving was Rs. 10,05,00,021.

Percentage of saving was 40.68.

The Irrigation and Power Department was of the view that actually the final grant was Rs. 16,01,67,780 and the expenditure was Rs. 14,65,79,189 and thus the saving was Rs. 1,35,88,591 which was less than 10% and as such no explanation was necessary in terms of the decision of the Public Accounts Committee. The Audit, as also the Finance Department did not agree with this view. The Secretary, Irrigation and Power Department wanted time to show that this was not the correct position and alternately that if this was so there were good reasons why there was a saving under this head.

The Committee was reluctant to allow time because enough time had already been taken but considering the fact that the explanation of the Department was based on the assumption regarding figures which were still disputed the Committee considered it advisable to give one more opportunity to the Irrigation and Power Department who may be asked to place the explanation which

should now be full and complete and be supported by the relevant documents before the Committee at its next meeting to be held at Lahore in the last week of this month.

Page 5, para. 5, item 21—34. Electricity Schemes-Capital Expenditure.

The Final grant was Rs. 5,30,39,610.

The expenditure was Rs. 3,83,70,276.

Saving was Rs. 1,46,69,334.

The percentage of saving was 27.66.

The Committee was not satisfied with the explanation and desired that the Irrigation and Power Department may be asked to furnish a detailed explanation at the next meetings of the Committee to be held in Lahore.

Page 7, para. 8—Item No. 2-Grant No. 10-Irrigation Works.

The final grant was Rs. 6,15,51,700.

The Expenditure was Rs. 6,88,74,795.

The excess Expenditure was Rs. 73,23,095.

The Committee considered this item in detail. The Irrigation and Power Department explained that the Department had originally demanded more amount which was not granted by the Finance Department as a result of which it became unavoidably necessary to spend more which resulted in this excess expenditure. The Committee decided that the Finance Department may be asked to explain the reasons why they granted a smaller amount than what was demanded for carrying out the works. The explanation may be submitted to the Committee at its meetings at Lahore.

The Committee, however, recommended that necessary grants to regularise the excess over the voted grants be made by the relevant authority.

The additional Finance Secretary pointed out that the Committee could not call the explanation of the Finance Department even when it appeared to the Committee that an application for re-appropriation was made in proper time and was arbitrarily and perversely turned down by Finance Department as a result of which gross irregularities occurred or as a result of which there has been great national loss. He was of the view that for such lapses the Finance Department was responsible to the Legislature alone.

The Committee observed that the function of the P. A. C. is also to satisfy itself that the moneys shown in the accounts as have been disbursed were legally available and could be appropriated or re-appropriated to the service or purpose to which they have been applied or charged. Under rule 633 (1) (a) of the Bombay Public Works Department Manual, First Edition, page 245—

"The Finance Department of the Government can sanction reappropriation within a grant from one major, minor or subordinate head to another."

This being so and funds having been made available by the Legislature it is the duty of the Public Accounts Committee to see whether the Finance Department, in suitable cases, have done and performed their duty of making reappropriations and whether that has been done properly or improperly. The Committee therefore disagreed with the Additional Finance Secretary that even if the Finance Department improperly or perversely acts in the matter of making these reappropriations, the P. A. C. will be just helpless and have no jurisdiction to look into it and to bring it to the notice of the Legislature. Under the Presidential system and the Constitution in force, the P. A. C. is the eye of the Legislature in the matter of the appropriation and expenditure made from the funds budgeted by the Legislature and if this class of appropriation and expenditure was to be taken out as a whole from the scrutinizing jurisdiction of the P. A. C., a huge chunk of the moneys budgeted by the Legislature will cease

to be under the scrutinizing control of the P. A. C. contrary to which is envisaged by the National Assembly of Pakistan Rules of Procedure as adopted for regulating the procedure of the Provincial Assembly of West Pakistan. The Committee decided to deal with this point fully in the report and leave it to the legislature to decide the issue. At the moment, however, the Committee have no doubt that it does have this jurisdiction.

Para. 7(a)(k) of the Appropriation Accounts for 1957-58-Expenditure on work in-anticipation of technical sanction to estimates.—The Committee examined the explanation of the Irrigation and Power Department and the Audit comments thereon and also discussed the matter at length with the Secretary of the Department, the Audit, the Finance Department and the Chief Engineers of the Department. It appeared that the Department had earnestly taken up the work for regularization by sanctioning the estimates and they requested that this item should be taken off the list and settled between the Department and Audit. If anything was left or a bottle neck was again created the matter might again come up before the Committee.

The Committee decided that as it is meeting in the last week of May, 1964 to consider the explanations of this Department again, some of which have been left out the Committee will consider this item again at that time.

The Committee, however, took a serious view of the position that no action had been taken until now against any of the persons who were responsible for these serious irregularities. The Secretary, Irrigation and Power Department pointed out that he had issued a circular to the Chief Engineers to send to him the names of the officers who were responsible for defaults so that action might be taken against them. The Committee observed that in the year 1961, while considering the Appropriation Accounts for the year 1956-57 the *Ad-hoc* P. A. C. had taken a very serious view of this situation and recommended that punishment should be given to the officers concerned in suitable cases.

Considering all aspects of the question, the Committee was of the view that the Secretary, Irrigation and Power Department should ask each of the Chief Engineers to forward to him two names of such officers, who were responsible for incurring expenditure without there being any provision and two names of officers who were responsible for incurring expenditure without technical sanction. These four names from each of the Chief Engineer should be collected and be placed before the P. A. C. at its next meeting to be held at Lahore in the last week of May. The Chief Engineers who were present were asked to make a note of this discussion of the Committee.

Para 17 (18) (1)—Excess Payment of Rs. 1,559.—The Committee found the explanation satisfactory.

Para 17 (18) (2) —Double payment of Rs. 1,028 to the contractor.—The Committee found the explanation satisfactory.

Para 17 (18) (3)—Excess payment of Rs. 74,691, to a contractor in Dir State.—

Mr. Sarwar Jan, Chief Engineer, stated that it was correct that on the same road higher rates were allowed to the contractor in the Agency Area (Mala-kand Agency). The reason, however, was that the work could only be let out to the contractor at the rate fixed by the Political Agent. The Engineering department has no option in the matter, and therefore, they were not responsible.

The Committee observed that although the amount involved in the case was Rs. 74,691 several other cases of similar nature will be coming up before the Committee. Therefore as a matter of policy it was necessary to find out as to why it was unavoidable to give higher rates for the same work on the same road. The reply to this can be given only by the authority who made the nomination and fixed the rates. The Committee, therefore, decided to examine the Home

Secretary on this point at its next meeting to be held at Lahore in the last week of May, 1964.

Para 17 (18) (5)—Excess payment of Rs. 6,141.—The Committee found the explanation satisfactory.

Para 17 (18) (4)—Excess payment.—The recovery will be speeded up and the position will be reported to the Committee at its next meeting.

Para 17 (18) (6)—Excess payment of Rs. 1,570.—The Secretary, Irrigation Department stated that he would issue a warning to the S. D. O. concerned and it will be kept in his personal file. The Committee considered this action satisfactory. The recovery proceedings will continue.

Para 17 (19) (1)—Shortage of 4500 Rft. of 5/9" iron bars.—The Committee found the explanation satisfactory.

Para 17 (19) (2)—Shortage of picking stone worth Rs. 1,431.—The Committee found the explanation satisfactory.

Para 17 (19) (3)—Shortage of stock and T. P. articles worth Rs. 2,597.—The Committee found the explanation satisfactory.

The recovery should be got verified by the Audit.

Para 17 (19) (4)—Shortage of stock worth Rs. 6,529.—It was reported that charge-sheet have been served to fifteen officers in connection with this item. The Committee decided to await the action.

Para 17 (19) (5)—Misappropriation of articles worth Rs. 6,376.—The Committee found the explanation satisfactory.

Para 17 (19) (6)—Shortage of stock articles.—The Committee decided that the proceeding should be expedited and report put up before the Committee at its next meeting.

Para 17 (19) (7)—Shortage of stock materials worth Rs. 3,290.—The Committee found the explanation satisfactory, but desired the Audit to pursue the final action.

Para 17 (19) (8)—Shortage of stores worth Rs. 1,585.—The Committee found the explanation satisfactory.

Para 17 (19) (9)—Shortage of 87 lbs. high steel carbon worth Rs. 660.—The Committee found the explanation satisfactory. The Audit may, however, verify the recovery.

Para 17 (20) (1)—Loss sustained by Government amounting to Rs. 4,000.—The Committee found the explanation satisfactory.

Para 17 (20) (2)—Loss caused to Government by not effecting recoveries.—The Committee found the explanation satisfactory. The Audit may, however, verify the recovery.

Para 17 (20) (3)—Cost of 42,938 empty cement bags not returned by contractors to the Government.—The Committee decided to examine this item at its next meeting after verification by Audit.

Para 17 (21)—Cash sale of steel.—The Committee found the explanation satisfactory.

Para 17 (22)—Irregular payment of Rs. 59,611.—The Committee observed that no proper action was taken so far in this serious matter. The Chief Engineer promised to look up the files and submit explanation before the Committee at its next meeting.

Para 17 (24)—Release of security of Rs. 33,034.—The Committee found the explanation satisfactory.

Para 17 (25)—Loss due to Stores having remained unaccounted for.—The Committee observed that this item was as old as Pakistan itself. The amount

of Rs. 1,06,698 which was paid for the purchase of rice at Sheikhupura and which rice was to be despatched to Mianwali remained unaccounted for in the sense that whereas the amount had been paid at Sheikhupura the rice was not accounted as having been received at Mianwali.

It was pointed out to the Committee that Mian Masud Ahmed was the Executive Engineer at that time at Mianwali and one Bisharat Ali was serving as an Overseer under him. They came from Mianwali to Sheikhupura to make the purchase and after effecting the purchase made payment through the Executive Engineer, Sheikhupura, to whom Mian Masud Ahmed made a request for making the payment. Mian Masud Ahmed is now Chief Engineer, WAPDA.

The Committee was of the view that Mian Masud Ahmed, alongwith Mr. Basharat Ali was the proper person to find out the correct facts. The Committee directed that the above two officers be asked to collect full facts, reconcile the accounts within three months and appear before the Committee for their statement on the subject. The Committee requested Mr. Jaafri, Member (Finance), WAPDA, who was present at the meeting, to extend co-operation so that Mian Masud Ahmed may be able to complete the investigation and explanation.

The Committee desired that this matter should come up before it at its next meeting after three months.

Para 17 (26) (1)—Non-recovery of Government dues. Rs. 18,200.—This is a case in which about 8,000 acres of land were leased out for three years to certain people on annual rental of Rs. 1,18,100 payable in advance every year on the 30th of June. Advance for the first year was to be realised as security and was refundable on compliance of all the terms of the lease on the expiry of the period of lease. But only a sum of Rs. 36,000 was realised and the lessee was permitted to take away crops for three years and no realisation was made of the amount of lease money. It has been pointed out that now some representation were made to Government by the lessee which is under consideration. The Committee was of the view that it was the duty of the officers concerned to have realised the amount in advance which was unaffected by the question of the lessee having now made representation for remission of the lease money; that it was a case of gross negligence resulting in loss to Government and that there was no extenuating circumstances whatsoever in support of or to mitigate the negligence of the officers concerned. The Committee decided that the Secretary, Irrigation and Power Department be directed to report to the Committee the action taken by him against the then S.D.O., Ch. Nazar Muhammad, the then Executive could not Sh. Abdul Karim and the then Superintending Engineer, whose name Engineer be intimated by the Department. The Secretary may also report what action if any, he has taken against such other officers as may appear to him to be responsible for this bungle. The action should be completed in three months' time and may be placed before the Committee at its first meeting after three months.

Para 17 (26) (2)—The Committee considered the explanation satisfactory and the item was dropped.

Page 104, item No. 4, Grant No. 12—Infringement of Financial Rules; The Committee examined this question at length. It appeared that an S. D. O. was appointed against a post which did not exist and drew his salary for 3½ years by drawing his own cheques. It further appeared that the S.D.O. was honest enough to draw his salary only from the cheques and there was no other irregularity except this that he drew his salary under his own cheques. He has already been warned for having drawn his salary on his own cheques. Considering the fact that the S. D. O. was faced with a situation where he had to feed his family, he had either the option of becoming dishonest or taking some other extreme measure till such time as his post was sanctioned or alternatively the A.G. was approached for making provisional arrangement for his payment which was not done in this case. The Committee, therefore, considered that the action taken against this S.

D.O. was sufficient and no further action was needed. As the Chief Engineer, made this appointment without sanction and having done so did not approach the Account General for provisional sanction for drawing the salary of the S. D. O. and this irregularity continued for 3½ years, the Secretary, Irrigation and Power may be asked to inform the Committee at its next meeting what action he has taken against the Chief Engineer and the Chief Engineer may be asked to appear before the Committee for his personal examination at the next meeting.

Page 57, para 18 (iii).—Arrears in accounts, documents and reports.—The attention of the Committee was drawn to the proceedings of the *Ad hoc* Public Accounts Committee held on the 4th and 5th December, 1964, where that Committee directed that the Chief Engineers should finalise the outstanding cases indicated in the annexure expeditiously and report the disciplinary action taken against the defaulting officers. That Committee further directed that severe disciplinary action in 2 or 3 cases should be taken so that it might serve as an eye-opener for others. The Committee observed that the annexure attached to the said decision clearly indicates that cognizance was taken in this decision of those very returns which were under consideration of the Committee. The committee endorsed the view taken by the *Ad hoc* Public Accounts Committee. The Committee was of the view that the entire efforts of the Audit Department should be nullified if compliance by the Department is not made and further not made within a reasonable time of the information sought by the Audit Department. The Committee found cases were pending for the last 8 or 10 years and some cases were such that even the first reply had not been received by Audit. The Committee was of the view that it was a grave situation.

Some of the Chief Engineers stated that they had initiated some action against some officers. The Secretary of the Irrigation and Power Department explained that the total number of such cases has been brought down from 6608, as on 28th February, 1963 to 2576 as on 30th September, 1963. This effort was appreciated by the Committee. The Committee decided that Audit should verify these figures and the Department should continue its efforts to eliminate it altogether. In the meantime, the Chief Engineer, will report at the next meeting of the Committee in what way they have implemented the decision of the *Ad hoc* P.A.C. taken in December 1961, which has already been referred to above.

Page 7, para 8—Excess over voted grants: Grant No. 31-Electricity Schemes. Working Expenses.—

	Rs.
Final Grant	.. 3,75,10,510.
Expenditure	.. 3,86,88,526.
Excess	.. 11,78,016

It was decided that the Department may be asked to explain at the next meeting of the Committee as to how and why there was an excess of Rs. 11,78,016.

Page 12-13 para 17 (1)—Expenditure on works in anticipation of technical sanction.—It was decided that the Department may be asked to give a full and complete report in detail at the next meeting why the technical sanctions were not obtained before the commencement of the works.

The Committee, however, took a serious view of the position that no action had been taken against any of the officials who were responsible for this serious irregularity. The Committee observed that in the year 1961 while considering the Appropriation Accounts for the year 1957-58, the *Ad hoc* Public Accounts Committee had taken a very serious view of this situation and recommended that punishment should be given to officials concerned in suitable cases.

Considering this aspect of the question, the Committee was of the view that Member (Finance) WAPDA should be asked to forward names of two of such

officials who were responsible for incurring expenditure without there being any provision and two names of officials who were responsible for incurring expenditure without technical sanction. These names should be placed before the Public Accounts Committee at its next meeting to be held at Lahore. The Member (Finance) WAPDA, who was present was asked to make a note of this decision of the Committee.

Page 14-31 para 17 (31)—Uneconomical running of a power house— The Committee considered that two questions were involved in this case. Part of expenditure which resulted in the rise in cost of production from 11 pies to 22 pies per K. W. was due to higher maintenance charges which were incurred. A decision was taken on this point in a Departmental Committee meeting and it was decided that this account may be audited by the Audit Department. The next point was that a part of the increase was due to the use of coal instead of furnace oil and the price of coal had gone up heavily so much so that 60% to 75% of the rise was due to this factor. The Department may be asked to furnish fuller facts and give details justifying their sticking on to the use of coal instead of switching over to diesel oil which would have resulted in effecting economy.

Pages 30-31 para. 17 (32)—Short-assessment of electric charges.— The Committee found the explanation satisfactory and dropped the item.

Pages 31-32, para. 17 (33)—Delay in the recovery of Government revenues.— The Committee found the explanation satisfactory and dropped the item.

Pages 47, para. IV—Financial Review of an Engineering Project. The Committee found the explanation satisfactory and dropped the item.

Pages 57-58, para. 18 (iii) Arrears in account documents and returns.— Mr. Jaafri, Member (Finance) WAPDA, explained that two officers, namely, Mr. G.K. Ashai and Fida Husain, have been charge sheeted and the number of such cases has been reduced from 276 to 158 (subject to verification). Mr. Jaafri further stated that a cell has been created to furnish and finalise this job. The Committee was of the opinion that the position was quite satisfactory. The Committee decided that this matter should come up before the Committee at its next meeting.

Pages 59-61 para. 18 (v)—Public Works Offices. Mr. Jaafri, Member (Finance) WAPDA, explained that two officers, namely, Mr. G. K. Ashai and Fida Husain, have been charge sheeted and the number of such cases has been reduced from 276 to 158 (subject to verification). Mr. Jaafri further stated that a cell has been created to finish and finalize this job. The Committee was of the opinion that the position was quite satisfactory. The Committee decided that this matter should come up before the Committee at its next meeting.

Page 203, para. 5—Irregular payments and temporary misappropriation of cash.— In this case salary was drawn by an S. D. O. who was serving on a post for which there was no sanction for 11 months. The facts of the case are that the term of the post, on which the S. D. O. was serving, expired and the Finance Department having been moved for further extension of the post and pending that the S. D. O. was permitted to serve on the same. The Executive Engineer concerned may be asked to explain as to how the salary was drawn and why he did not move the Accountant General for provisional permission to draw the salary.

The attention of the Committee was drawn to a case of similar nature. The Committee felt it their duty to impress on the officers concerned that wherever a person is serving and the sanction for the post is awaited it should be the duty of the officers concerned to immediately move the Accountant-General for sanctioning provisional payment of the salary of the employee concerned. The Committee hoped that the Accountant-General will, in such cases, sympathetically consider all the implications and dispose of all the applications without delay. The Committee considered this absolutely necessary because unless employees are paid for their jobs regularly in time there can be grave and serious

cosequences resulting in dishonesty, loss of efficiency and various other mal-factors.

Page 203, para. 6—Double payment.—The Committee found the explanation satisfactory and the item was dropped.

Page 207, para. 8.—The Committee found the explanation satisfactory and the item was dropped.

Page 28, para. 17 (22) (1).—Embezzlement of Stores worth Rs. 70,357.—The Committee considered the explanation satisfactory and the item was dropped.

Page 28, para. 17(23).—The Committee considered the explanation satisfactory and the item was dropped.

Page 28, para. (23) (2).—The Committee considered the explanation satisfactory and the item was dropped.

Page 29, para. 17 (26) (3).—The Committee considered the explanation satisfactory and the item was dropped.

Page 30, para. 17 (27) (1).—The Committee considered the explanation satisfactory and the item was dropped.

Page 30, para. 17(27) 2) .—The Committee considered the explanation satisfactory and the item was dropped.

Page 30, para. 17 (27) (3).—The Committee found the explanation satisfactory and the item was dropped.

Page 30, para. 17(28).—The Committee found the explanation satisfactory and the item was dropped.

Page 30, para. 17 (29).—The Secretary, Irrigation and Power Department, promised to put the then Chief Engineer Incharge on the job to look into the matter and submit a report to the Committee at its next meeting.

Page 31, para. 17 (30).—The Committee found the explanation satisfactory and the item was dropped.

The Committee then adjourned to meet again at 3.00 p.m. to consider the explanation of the Health Department.

S. M. SOHAIL
Chairman,
 Standing Committee on Public Accounts.

PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE ON
 PUBLIC ACCOUNTS HELD ON 2ND MAY, 1964, AT 3.00 P.M., IN THE
 COMMITTEE ROOM OF THE GOVERNMENT HOUSE,
 10-VICTORIA ROAD, KARACHI.

Present—

- | | | |
|---|----|--------------------------|
| (1) Mr. S. M. Sohail, M. P. A. | .. | Chairman. |
| (2) Sardar Ahmad Ali, M. P. A. | .. | Member. |
| (3) Mr. Ghulam Muhammad Shah, M. P. A. | .. | Member. |
| (4) Khan Ata Hussain Khan Khakwani, M. P. A. | .. | Member. |
| (5) Chandri Muhammad Iqbal, Secretary,
Provincial Assembly of West Pakistan. | | Ex-officio
Secretary. |
| (6) Mr. S. M. Nasim, C. S. P., Additional Finance
Secretary. | | Export Advisor. |
| (7) Mr. S. M. A. Subzwari, Accountant-General, West
Pakistan. | | By invitation. |
| (8) Ch. Muhammad Ali, Deputy Director, Audit | .. | By invitation. |
| (9) Captain Saleh Muhammad, P. C. S., Deputy Secretary, Health,
Mr. A. M. Qazi, Director Health, Hyderabad Region and Mr. Rafi
Ahmed, Acting Chief Engineer, Public Health were also present. | | |

The Committee proceeded to examine the Audit objections in the Appropriation Accounts for the year 1957-58 relating to Health Department.

This meeting was fixed for the scrutiny and examination of the Audit objections pertaining to the Health Department. The Committee required to examine Dr. Amir Muhammad Khan, Secretary, Health Department. Captain Saleh Muhammad, Deputy Secretary, Health, appeared for the Department and stated that Dr. Amir Muhammad Khan had gone to Tehran to attend a Conference, and he therefore was deputed to attend the meeting and he fully co-operated with us.

The Committee found that the replies to the Audit objections, as also to the Audit Department, were incomplete in two senses. In the first place, no explanations had been attempted for several objections, including the major objection of savings to the extent of Rs. 45 Lacs. Secondly, the explanations attempted in some cases were devoid of particulars. The Committee will be meeting at Lahore on the 28th, 29th and 30th May, 1964 and the Department concerned should prepare a full and complete answer giving details and substantiated by records. The Secretary, Health Department, should be present for examination by the Committee assisted, of course, by such other persons of his Department as he considered necessary. The explanations prepared by the Department should be sent in advance to the Audit for their comments before they are placed before the Committee at its next meeting.

The same remarks apply to the Public Health Engineering Department.

S. M. SOHAIL

Chairman,

Standing Committee on Public Accounts.

PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE ON
PUBLIC ACCOUNTS HELD ON 4TH MAY, 1964 AT 8.00 A.M. AT THE
OLD SIND ASSEMBLY BUILDING, KARACHI

Present—

(1) Mr. S. M. Sohail, M. P. A.	..	Chairman.
(2) Sardar Ahmed Ali, M. P. A.	..	Member.
(3) Khan Ata Hussain Khan Khakwani, M. P. A.	..	Member.
(4) Sardar Ghulam Muhammad Shah, M. P. A.	..	Member.
(5) Mir Muhammad Khan Talpur, M. P. A.	..	Member.
(6) Chaudhri Muhammad Iqbal, Secretary Provincial Assembly of West Pakistan.		Secretary.
(7) Mr. S. M. Nasim, C. S. P., Additional Finance Secretary assisted by Mr. Tariq Saeed Jaffery, C.S.P., Deputy Secretary, Finance.		Official Advisor.
(8) Mr. S. M. A. Subzwari, Accountant-General, West Pakistan.		By invitation.
(9) Mr. Moiz-ud-Din Ahmed, C.S.P., Member, Board of Revenue, West Pakistan.		Ditto.
(10) Mr. A. M. K. Mazari, C. S. P., Secretary, to Government, West Pakistan, Industries Department alongwith Mr. M. I. H. Siddiqi, Controller of Printing and Stationery, West Pakistan.		Ditto.
(11) Chaudhri Muhammad Afzal, P.C.S., Secretary to Government, West Pakistan Basic Democracies and Local Government Department.		Ditto.
(12) Mr. Rafique Ahmad, Deputy Secretary, Home Department alongwith Qazi Muhammad Anwar, Assistant Inspector-General (Accounts), Mr. H. H. M. Baloch, Director Prisons, Southern Range, Hyderabad and Mr. Umar, Controller, Civil Defence, Karachi.		Ditto.
(13) Mr. Imtiaz Ahmad, Additional Secretary, Excise, Board of Revenue.		Ditto.

2. The Committee proceeded to examine the explanations of the Departments on the Audit objections on the Appropriation Accounts for 1957-58.

BOARD OF REVENUE

(1) *Page, 5, para. 5, savings on voted grants, item 25—"39—Misc—J.7-Other Charges", saving of Rs. 3,461*—The saving in this case was mainly due to less payment of Travelling Allowance which was occasioned on account of floods. The Committee considered the explanation satisfactory and dropped the item.

(2) This was the only item relating to Mr. Moiz-ud-Din Ahmed, C. S. P., Member, Board of Revenue, who appeared before the Committee as Secretary, Transport. The other matters pertaining to Board of Revenue relate to Departments which are under the administrative control of other Members of the Board of Revenue. The letter from Mr. I. U. Khan, Member, Board of Revenue explaining his inability to attend this meeting of the Public Accounts Committee was considered by the Committee satisfactory. The Committee decided that the items concerning him would be taken up at Lahore when the Committee meets on the 28th of May, 1964. Mr. B. A. Qureshi, C.S.P., Member, Board of Revenue, who is in charge of the Excise Department was not present today. He was repre-

sented by Mr. Din Muhammad Shah, Budget Officer, and Mr. M. Y. Bundyal, Secretary, Board of Revenue.

The Committee observed in the course of previous proceedings that if an item proceeded with the assistance of officers other than the Head of Department it came to a dead end at one point or the other because the officers concerned could not proceed further. To obviate this difficulty, the Committee had decided to ask for the appearance of the administrative Secretaries and the Heads of Departments. Therefore the Committee did not deem it advisable to proceed with items relating to Excise Department in the absence of Mr. B. A. Qureshi. It was decided that these items should be taken up when the Committee meets at Lahore on the 28th May, 1964. Mr. B. A. Qureshi, will please attend on 28th May, 1964 for examination.

BASIC DEMOCRACIES AND LOCAL GOVERNMENT DEPARTMENT

(3) *Page 7, para. 15, read with para. 213 of Appropriation Accounts for the year 1956-57*—The accounts for the year 1956-57 were not before the Committee. As, however, all the facts were incorporated in the working paper submitted by the Department, the Committee examined the same and found that Mr. Iqbal Afridi, who was responsible for misappropriating Rs. 17,578/- was being tried in a criminal court. Thus the matter was sub-judice before a court of competent jurisdiction. It was for the Audit to finalise it with the Department and to consider the desirability of non-inclusion of this matter. If, however, a question arises in the agenda of the Committee for the examination of the Appropriation Accounts, for the year 1956-57 it will be considered by the Committee.

(4) *Page 22, para 16 (c) (4)(i)—Appropriation Accounts for the year 1956-57 relating to unnecessary detention of Government money*.—This item also pertained to the Appropriation Accounts for the year 1956-57 which was not before the Committee. The Audit would take up this matter with the Department and try to settle it.

(5) *Appropriation Accounts 1957-58, Page 5, para. 5, Saving on Voted Grants—Grant No. 39—Misc-J-3—Village AID Department—Major Head 57—Misc-J-Miscellaneous—Saving Rs. 26,34,898*—In this case out of the total grant of Rs. 1,28,20,219, there was a saving to the tune of Rs. 26,34,898 which worked out to about 22 per cent. Chaudhri Muhammad Afzal, Secretary Basic Democracies and Local Government Department stated that the saving, was due to the facts that—

- (i) newly created posts could not be filled for want of proper and suitable incumbents; and
- (ii) certain development schemes could not be implemented on account of non-availability of material and non-compliance of some formalities.

The Committee considered this explanation devoid of all particulars. In the first case, it was not known as to what were the posts which could not be filled in and what was the total saving under that Head. In the second place, it was not known what were the schemes and what was the total value of those schemes which could not be implemented. It was also not known what was the material which was not available. Nor it was known what were the formalities which could not be complied with. In the absence of these particulars the Committee was unable to accept the explanation. Chaudhri Muhammad Afzal, Secretary of the Department, wanted time to examine the records further and also to find out the persons who were at the helm of affairs under this scheme to give full and detailed particulars. The Committee decided to take up this item at its next meeting at Lahore. The Secretary of the Department was asked to provide full particulars to the Audit who will examine the same before the item is considered by the Committee.

(6) *Page. 44, para 38-Misuse of Government Vehicles*—The Committee considered the explanation furnished by the Department. The officer concerned seemed to have admitted the fact that owing to his multifarious pre-occupations in connection with the training of workers, entertaining and conducting the foreign visitors to his Institute and the adjoining areas, he failed to maintain log-books properly and to check all the entries appearing therein.

The Committee found the explanation for not maintaining the log-books properly, unsatisfactory. According to the Committee this was serious matter and it appeared that no action had upto then been taken by the Department against this officer. It was pointed out that as the officer was posted at Peshawar, he could not be called. The Secretary of the Department stated that he would take appropriate action against the officer concerned under advice to Audit.

(7) The Accountant-General pointed out that it would be of very much help if a general policy was outlined to the effect that if there is a report by Audit insisting on penal action or recovery proceedings, the same should be attended to by the Department concerned expeditiously. The Additional Finance Secretary pointed out that this is precisely what is provided for in the rules. The Committee agreed with the suggestion of the Accountant-General and impressed upon the Government Departments to immediately attend to Audit Reports in respect of penal action and cases of recovery of Government money.

(8) It further appeared to the Committee that Working Papers for the meetings of the Committee were supplied at the eleventh hour as a result of which there was considerable difficulty in expediting the work. The Committee decided that the attention of all the Government Departments should be drawn by the Finance Department to the fact that working papers should be consolidated by the Administrative Department and printed and supplied to the Committee at least a week in advance.

(9) The Committee found that some Administrative Secretaries and Heads of Departments were not personally present and they had sent their deputies to appear before the Committee. The Committee decided that the Finance Department should issue instructions that in all cases Secretaries and Heads of Departments should appear personally and in case they are unable to do so they should inform the Committee well in advance alongwith the reasons for their non-appearance so that arrangements might be made for the consideration of the subjects relating to them conveniently.

(9-A) *Page 44, para. 39-Misappropriation of Seeds*—The Committee considered the explanation satisfactory and the item was dropped.

(10) *Page 45, para. 42 (ii)—Advanceing of rupees one lakh in Village-AID Co-operative Society*—It appeared that a sum of Rs. 16,000 remained unrealised. The Secretary of the Department stated that he would try to recover it by the end of June, 1964. It was decided that the Audit should watch this item and report the recoveries. Subject to this, the explanation was considered satisfactory and the item was dropped.

(11) *Page 45, para. 40 (iii)—Payment of Rs. 17,000 by Village-AID Department to Village Councils*—The committee considered the explanations satisfactory and decided to drop the para subject to a stock verification by the Department and production of verification certificate for the same to the Audit.

(12) *Page 45, para. 40 (iv)—Drawal of Rs. 9,758 for the purchase of equipment for local Broadcasting House*—The Committee considered the explanation satisfactory and decided to drop the item.

(13) *Page 45, para. 41—Unadjusted Advances*—While considering this item, it appeared that Haji Muhammad Javed who had figured in several irregularities of serious type before also, was the central figure in this particular case. The Additional Finance Secretary informed the Committee that he would bring to the

notice of the Department the bad report of Mr. Javed's service during which he committed several serious irregularities to examine the desirability of retaining him in Government service any further. In view of this the Committee decided that no further action was necessary.

(14) *Page 60, para. (c)—Replies to Audit*—A large number of Audit Notes were not attended to for long periods even to the extent of four years. The Committee at its last meeting has called upon the Department to name the officers concerned and to suggest what action should be taken against them for these grave irregularities. The Secretary of the Department explained that as the Village-AID Department had ceased to exist, because it was disbanded in the year 1960-61, it was very difficult to find out the names. The Committee was satisfied that the time and labour involved in finding the names of the officers, who were no more in the Department, would not be commensurate with the labour involved and therefore the question of taking action against the officers was dropped. The Committee, however, observed that replies to the Audit Notes was very necessary and the Department should finalise it by the end of June, 1964 with the Audit Department. The Committee decided that this item should come up before the Committee after the Audit and the Department concerned have cleared up these points.

(15) *Page 45, para. 42(i)—Unnecessary drawal of money from Treasury*—The same decision as in respect of para. 40 (ii).

(16) *Page 5, para. 5—Saving on Voted Grants*—(i) *Item No. 10—Saving of Rs. 7,63,457*—The Committee considered the explanation satisfactory and the item was dropped.

(ii) *Items No. 28 and 26—Saving of Rs. 68,93,050 and Rs. 4,00,70,693*—The Committee observed that in these two cases it had not been pointed out as to what were the formalities which were not complied with as a result of which these moneys could not be disbursed. The Secretary of the Department promised to produce records on the subject to show that the formalities were not complied with. The Committee decided that these items be considered at its next meeting.

(17) *Page 44, para. 40 (i)—Unauthorised Expenditure*—Under this head there were two irregularities :

(i) the money was not sanctioned by the proper sanctioning authority. The Secretary of the Department promised that in all those cases where the sanction had not been regularly issued he would get it regularised by the competent authority by the end of June, 1964. The Committee decided that the Audit would satisfy itself as and when these sanctions were regularised.

(ii) there has been delay in obtaining these sanctions. It appeared that two officers responsible for this delay in obtaining the sanctions so far, it appeared from the records, were Mr. G. M. Abbasi and Mr. Abdus Sattar Sheikh both of whom at that time were working as Development Officers and were continuing as such. The Committee observed that the Committee at its last meeting had decided that explanations should be called for from the officers concerned to explain the irregularities and if no action had been taken what action was contemplated and why action had been delayed. It appeared to the Committee that no action was taken against these two officers but explanation was called for from the Director, Basic Democracies in December 1963, who, however, did not care to send any reply inspite of repeated reminders and finally before coming to the meeting, the Secretary of the Department had to obtain their replies on the telephone and incorporated this in the Working Paper now supplied to the

Committee. Sheikh Ahmad Khan, the then Director, Basic Democracies, presently Deputy Commissioner, Jacobabad, was succeeded by Mr. K. Z. Durrani. The Committee was of the view that both these officers appeared to have been grossly negligent in replying to the queries made by the Department in respect of Audit Notes. The Committee decided that the Department should state in the next meeting of the Committee the action taken against these two officers. The Committee decided that other two officers concerned in the matter, namely, the two Development Officers, should also explain as to how they withdrew the amount without proper sanction and why they did not have it regularised well in time. The Committee further decided that all these four officers should be present for oral examination at the next meeting of the Committee. In the meantime the Department should try that the recovery of Rs. 94,000 is made by end of June, 1964.

(18) *Page 45, para 42 (ii)—Drawal of a sum of Rs. 6,150 for expenditure on the proposed Poultry Farm*—The Committee found that this was yet another irregularity committed by Haji Muhammad Javed. The Committee felt sick of the irregularities committed by this officer. As the Finance Department intended to write a letter to the Department concerned to consider the desirability of retaining this officer in service any longer, the Committee decided that no further action was necessary and the matter was dropped subject to action proposed by the Finance Department.

HOME DEPARTMENT

(19) *Page 46, III—Secret Service Expenditure*—The Secretary, Home Department was not present. Mr. Muhammad Rafique, Deputy Secretary, Home, Qazi, Muhammad Anwar, Assistant Inspector-General (Accounts), Mr. H. H. M. Baloch, Director of Prisons, Southern Range, Hyderabad and Mr. Umar, Controller, Karachi Civil Defence attended the meeting.

The Committee observed that the practice had been that the Secretaries of the Departments attended the Public Accounts Committee meetings which practice was quite healthy and conducive to the expeditious disposal of the work. The Committee tried to consider the items in the absence of the Home Secretary but found that the questions involved were such that they could not be disposed of without his personal examination. The Committee decided that Home Secretary should be asked to attend the next meeting of the Committee to be held at Lahore on the 30th May, 1964 personally for examination. The Committee further decided that the Home Department should prepare consolidated Working Paper properly alongwith Audit Notes thereon printed, and supply the same to the Committee at least a week in advance.

EXCISE AND TAXATION DEPARTMENT

(20) Mr. Imtiaz Ahmed, Additional Secretary, Excise, stated that he had come prepared with regard to Appropriation Accounts only and not the Audit Report thereon. The Committee decided that the objections relating to both the Appropriation Accounts and Audit Report thereon should be taken up at the Committee's next meeting to be held at Lahore on the 31st May, 1964.

INDUSTRIES AND COMMERCE DEPARTMENT

(21) The Committee deferred consideration of the items relating to Industries and Commerce Department for 5th May, 1964.

3. The Committee then adjourned to meet again on 5th May, 1964 at 8:00 A. M.

S. M. SOHAIL

Chairman,

Standing Committee on Public Accounts

PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE ON
 PUBLIC ACCOUNTS HELD ON THE 5TH MAY, 1964, FROM 8-00 A. M.
 TO 10-00 A. M. AND 3-30 P. M. - TO 7-00 P. M. IN THE LIBRARY
 ROOM OF THE DIRECTORATE OF EDUCATION, OLD SIND
 ASSEMBLY BUILDING, KARACHI

Present—

(1) Mr. S. M. Sohail, M.P.A.	..	Chairman.
(2) Sardar Ahmed Ali, M.P.A.	..	Member.
(3) Khan Atta Hussain Khan, M.P.A.	..	Member.
(4) Sardar Ghulam Muhammad Shah, M.P.A.	..	Member.
(5) Mir Muhammad Khan Talpur, M.P.A.	..	Member.
(6) Ch. Muhammad Iqbal, Secretary, Provincial Assembly of West Pakistan.	<i>Ex-officio</i>	Secretary.
(7) Mr. S. M. Nasim, C.S.P., Additional Finance Secretary, assisted by Mr. Tariq Saeed Jafri, C.S.P., Deputy Secretary, Finance.		Expert Advisor.
(8) Mr. S. M. A. Sabzwari, P.A.&A.S., Accountant-General, West Pakistan, Lahore.		By invitation.
(9) Mr. A. A. K. Babar, P.A.&A.S., Director, Commercial Audit, Pakistan.		Ditto.
(10) Mr. A. M. K. Mazari, C.S.P., Secretary to Government of West Pakistan, Industries and Commerce Department.		Ditto.
(11) Faqir S. Siraj-ud-Din, Secretary to Government of West Pakistan, Food Department.		Ditto.
(12) Mr. S. M. Ikram, C.S.P., Member, Board of Revenue, and Secretary to Government of West Pakistan, Auqaf Department.		Ditto.
(13) Mr. S. M. Hasan, C.S.P., Deputy Secretary (Genl.) Services and General Administration Department accompanied by Ch. Muhammad Hussain, Director, Anti-Corruption, West Pakistan.		Ditto.
(14) Mr. Manzoor Elahi, C.S.P., Secretary to Government of West Pakistan, Education Department, accompanied by Regional Heads of Departments under Education Department.		Ditto.
(15) Mr. Humayun Faiz Rasul, C.S.P., Deputy Secretary, Planning and Development Department.		Ditto.

II. The Committee proceeded to examine the explanation of Departments on the Audit objections on the Appropriation Accounts for the year 1957-58,

INDUSTRIES AND COMMERCE DEPARTMENT

(1) *Page 5, para. 5, read with page 227-“57—Miscellaneous—A—Cost of Books and periodicals of Appropriation Accounts for the year 1957-58,” Grant No. 39—Miscellaneous at serial No. 25—*The explanation regarding the saving of Rs. 28,023 out of a total final grant of Rs. 48,440 furnished by the Department was that this saving was mainly due to non-availability of books. It was not stated as to how much of the saving was due to non-availability of books and how much of it as due to other factors to which no reference had been made in the explanation. Again, it was not stated whether the Departments, who were to make these purchases had prepared a list of the books required by them and no evidence was produced

before the Committee to substantiate the alleged non-availability of such books. The Committee observed that as repeatedly pointed by it in connection with items of other Departments, savings except where they were unavoidable were an unhappy feature in the spending Departments; that in the case under examination the saving was on books which were so necessary for development and advancement. The saving, therefore, was to be fully accounted for before the item was dropped. The Committee observed that even at the revised stage of the Budget towards the end of the year only a sum of Rs. 1,560 was surrendered which appeared to run counter to the proposition mooted out that the saving was on account of non-availability of books. The Secretary of the Industries and Commerce Department promised that he would call for the explanations of all the Departments concerned on the points raised by the Committee and he would submit to the Committee his report at its next meeting to be held on the 31st May, 1964.

2. *Page 5, item 18—saving on voted grants “26—Industries”*—The Department stated that they had explained the position regarding a saving of Rs. 3,17,264 to the satisfaction of Audit. As it was a case of large saving, the Committee wanted to examine the items in details. Mr. Abdul Majid Mufti, C.S.P., Director of Industries promised to look into all the records and place before the Committee full particulars at its next meeting to be held on the 31st May, 1964.

The Director of Industries further stated that he would fix responsibility regarding the delay in obtaining sanctions with respect to the grant of Rs. 3,17,264 and make a report in the next meeting.

(3) *Page 5, item 19, Page 9, para 12—Saving on voted grants (I) 27—Capital outlay on Industrial Development and (ii) Control over expenditure*—The Committee considered these two items together and decided that the Audit should take up the matter with the Director of Industries. The Committee hoped that Industries Department and the Audit would get together but if there was still something left to be accounted for, the matter might come up before the Committee at its next meeting to be held on the 31st May, 1964.

(4) *Page 5, item No. 10—Grant No. 18—I—Miscellaneous—I—(3)—Charges payable to other Government Departments—Savings of Rs. 962*—The Committee considered the explanation satisfactory and dropped the item.

(5) *Page 58, para (IV) Delay in disposal of inspection Reports and audit notes*—According to Audit, there were fifteen Audit Notes outstanding for reply in the Department of Industries. particulars of offices to which these notes relate would be supplied by the Audit to the Department. The Department would, however, explain the reasons for delay and apportion responsibility under advice to Audit. The Department would also expedite the finalization of these notes.

(6) *Pages 55 and 56, Paragraph 61—67 of Commercial Accounts of the Government of West Pakistan for the year 1957-58*—As decided by the Committee on 28th April, 1964 this item was taken up again today. The Director, Commercial Audit submitted a note (Annexure 'A') setting out the position which was considered by the Committee in the light of the records produced by the Director of Industries.

An evacuee Cotton Mills, known as Mela Ram Cotton Mills, Lahore, was leased out to one Sardar Rashid Ahmed, at present Parliamentary Secretary, Government of Pakistan on 12th September, 1954. Sardar Rashid Ahmed was also given possession of Government stocks and stores valuing more than Rs. 10 lacs against which he furnished a bank guarantee of Rs 4 lacs only from the Silakot Central Co-operative Bank Ltd., Silakot. It, however, appears that Mr. Rashid took one Mr. Abdul Ghani Ghuman, an ex-Minister of West Pakistan, and Mr. Nasir Ahmed Malli, another ex-Minister of the Punjab as his partners by a private agreement of partnership executed between these three partners on 26th July, 1954. Government stocks of the value of Rs. 4,85,176 handed over to Sardar Rashid

Ahmed, were sold, consumed or otherwise disposed of up to 2nd February, 1953, when the mill was closed and sealed. The mill was closed and sealed as an inquiry had been started on reports having reached Government that large scale thefts and pilferages were taking place in the Mill. A criminal case was registered against the lessees with the Police in 1955 and it is stated that 800 witnesses were produced on behalf of prosecution out of whom 600 witnesses were examined. When the criminal case had reached this stage, transfer application were filed and attempts were made to delay the proceedings. The case dragged on like this till Sardar Rashid Ahmed filed a petition in the High Court for quashing the criminal proceedings. The Director of Industries produces before the Committee a copy of the Order passed by Mr. Justice M. R. Kayani in this proceeding which runs as under :—

"Mr. Shaukat Ali Malik for petitioner.

Mr. M. B. Zaman for the State. He says Government would withdraw the prosecution if the petitioners undertake to make all payments found due from them by the Arbitrator to be appointed under the agreement. Sardar Rashid Ahmad agrees provided all the outstanding disputes relating to the Mill are decided. Mr. Zaman agrees.

Mr. Nasir Ahmed Malli, also gives the undertaking, Mr. Ghuman is not present and his counsel Mr. Muhammad Iqbal wants to consult him. Adjourned for this purpose only to next Monday.

8-10-62.

(Sd.) M. R. KAYANI.

Parties as before. Mr. Muhammad Iqbal gives the necessary undertaking for Mr. Abdul Ghani Ghuman also.

In view of these undertakings Government now will withdraw the proceedings. This is the nature of a gentleman's agreement that the petitioners should make payment to Government of whatever is found due from them by filing the award, that is to say, after the award has been made subject to legal tests, if necessary.

The petition may now be filed.

15-10-62.

(Sd.) M. R. KAYANI.

The result was that the Criminal proceedings were dropped. The Department of Industries thereafter made attempts to have an Arbitration Court set up in terms of agreement under which one arbitrator was to be appointed by Sardar Rashid Ahmad and his partners, another arbitrator was to be appointed by the Board of Management of the Mill and yet another arbitrator was to be appointed by the Rehabilitation Commissioner. The three parties, namely Messrs. Sardar Rashid Ahmed, Nasir Ahmed Malli, and Abdul Ghani Ghuman appeared before the Industries Department. Sardar Abdul Rashid and Nasir Ahmed Malli were agreeable for the Arbitration Board to be set up but Mr. Abdul Ghani Ghuman gave a written statement that he had given no instruction to his Advocate, Mr. Muhammad Iqbal to give an undertaking to the Court that he would submit to an arbitration award referred to in the Order of Mr. Justice M. R. Kayani.

This resulted in a stale-mate and the gentleman's agreement, referred to in the judgment of Mr. Kayani, founded on the rock of what *prima facie* was not a very gentlemanly attitude. This being so the Committee was faced with the situation that the amount of Rs. 4,85,176 due to Government remained unrealised and there was no prospect of its being realised unless effective measures were taken against all those who were party to this muddle. The Committee was of the view that (i) it would be advisable to approach the High Court and apprise them of the whole situation and make a prayer for the appointment of an arbitrator by the High Court with full powers to decide the matter in dispute and thus finally clinch the issue and decide the question, and (ii) to fix

responsibility and to detect fraud, theft and misappropriation. It would be proper to refer the matter to the Director of Anti-Corruption, West Pakistan, Lahore, with request to finalize this report by 30th June, 1964 and collect all material evidence relating to fraud, misappropriation, theft and embezzlement and fix responsibility of the individual officers and other persons connected with the muddle. The Committee emphasised that the bank guarantee furnished by Mr. Abdul Ghani Ghuman on behalf of the lessee was couched in such language that when it was legally scrutinized, it appeared that it was just a scrap of paper and no guarantee at all. It appeared to the Committee *prima facie*, there was an intention to defraud and cheat from the very beginning. The Committee wished that the attention of the Director of Anti-Corruption should be drawn towards this aspect of the matter to find out whether it was borne out by the available evidence, and after all evidence was collected, it could be for the Industries Department to reconsider whether it would be proper to prosecute the persons concerned for the offences made out against them as a result of investigation and submit a report to the Committee at its first meeting to be held after June, 1964.

The Committee observed that from June 1961 to January 1962, at the time of taking over stocks and stores it was discovered that stocks and stores worth Rs. 1,27,272 lying in the Spinning, Weaving, Engineering and Finishing Sections of the Defunct Mill were missing. The Committee decided that as in the case referred to above the Director of Anti-Corruption should investigate and collect all evidence fixing responsibility regarding this shortage also and the report should come up before the Committee at its first meeting after June 1964.

The Committee wished that an advance copy of the remarks regarding this item should be forwarded to the Finance Department at once and the Finance Department requested to take up the matter immediately with the Industries Department.

(7) *Page 5, para. 5 of the Appropriation Accounts for 1957-58, Saving of Rs. 41,42,168 under the head "38—Printing and Stationery"*—The Committee was not satisfied with the explanation of the Department. It was decided that the Industries Department should give detailed reasons for saving which will be considered by the Committee at the next meeting to be held at Lahore from 28th May, 1964.

FOOD DEPARTMENT

(8) *Page 7, para. 8, of the Appropriation Account for 1957-58 Excess over voted Grant, 43—Capital Outlay on Provincial Schemes of State Trading, Excess Rs. 3,06,43,203*—It was decided that the Secretary, Food Department, and the Accountant-General, West Pakistan should settle among themselves the question as to what is the correct factual position and the item should come up again before the Committee at its next meeting in Lahore.

(9) *Page 39, para 22. (i) of the Appropriation Accounts 1957-58 Excess payment of Rs. 3,64,844*—The Food Department claimed to have traced credits to the extent of Rs. 70,668 and wanted more time to trace the rest. The Committee decided that the Audit should verify the statement of the Department and the matter come up before the Committee at its next meeting on the 31st May, 1964 at Lahore.

(10) *Page 73, para 22 (ii) of the Appropriation Accounts for 1957-58 Excess payment of Rs. 46,733*—Same decision as in the previous item.

(11) *Page 39, para. 23, of Appropriation Accounts for 1957-58. Non-recovery of penalty from contractors and suppliers*—At this stage the Committee came to the conclusion that the Department had furnished explanations without stating the details specifically asked for by the Committee due to the fact that they were not used to such detailed examination. The Secretary of the Department asked for more time and said that he would prepare the working papers again with complete information required by the Committee as early as possible. The

Committee decided that items of Food Department be taken up by the Committee at its next meeting at Lahore on 31st May, 1964 and that in the meantime the Food Department should get in touch with the Audit Department, try to sort out as many outstanding explanations as they can together settle and only the rest of them should come up before the P. A. C.

AUQAF DEPARTMENT

(12) *Page 5, para 5, read with page 145 of the Appropriation Accounts for 1957-58, "18—Scientific and Miscellaneous Departments"*—The Committee decided that the Secretary, Auqaf Department should reconcile the figures with the Audit and if there remained any points outstanding the matter should come up before the Committee at its next meeting to be held at Lahore on 30th May, 1964. The Secretary, Auqaf pointed out that the Home Department was also concerned with the fixation of responsibility for the non-availability of relevant records. The Committee decided that the Home Secretary should also be present when this item is considered by the Committee next time.

SERVICES AND GENERAL ADMINISTRATION DEPARTMENT

(13) The Committee decided that the items relating to Services and General Administration Department would be taken up in the next meetings of the Committee to be held at Lahore from 28th to 31st May, 1964.

PLANNING AND DEVELOPMENT DEPARTMENT

(14) The Committee decided that the items relating to Planning and Development Department would be taken up in the next meetings of the Committee to be held at Lahore from 28th to 31st May, 1964.

EDUCATION DEPARTMENT

(15) *Page 5, para. 5 read with pages 143-144, Saving on Voted Grants, Grant No. 18—Scientific and Miscellaneous Departments*—(i) There was a saving of Rs. 6,308 out of a grant of Rs. 92,590 under the head 'B—Museum'. Out of Rs. 6,308 a sum of Rs. 1,480 was a saving on account of barbed wire fence not having been provided around the museum. The Secretary, Education Department stated that this was possibly on account of inefficiency and that he would try to find out the official responsible for it and take suitable action. The remaining amount under this head amounting to Rs. 4,828 was saved as a suitable Curator was not found for the post and that this fact was within his personal knowledge. The Committee considered this explanation satisfactory.

(ii) Out of a total grant of Rs. 1,92,700 there was a saving of Rs. 24,823 under the head 'Library'. Rs. 16,333 was a saving in the Southern Area and the remaining about Rs. 8,000 was a saving over the rest of the Province of West Pakistan. The Committee questioned the Secretary, Education Department regarding the saving of Rs. 16,333 in Southern Area. According to the Secretary this was due to inefficiency and he was of the view that this money should have been spent, particularly as it was meant for the purchase of books. He promised to look into matter, try to find out as to who were the officials responsible for this negligence, take suitable action against them, and report the result in the next meeting of the Committee. The Committee decided that except for the report the item should be dropped.

(16) *Page 37, para 14), Loss of cash Rs. 10,735*—The Committee considered the explanation satisfactory and the item was dropped.

(17) *Page 37, para 15)—Misappropriation of cash during 1956-57*—The Committee observed that this was a case where a Government servant was clearly guilty of misappropriation which was detected by the Audit, and the fact that he paid the money thereafter did not absolve him from the guilt of misappropriation, that the punishment of stopping two increments, to say the least, was not commensurate with the nature of the crime. As, however, the question of re-opening the question of punishment was not free from difficulties, it was not proper to re-open it. The Committee however, desired to know who was the officer under whom the

clerk was serving when he committed the fraud, whether there was any complicity of that officer in the fraud, how it was that the clerk was let off with such a light punishment and who was the officer who gave him that punishment. The Secretary, Education Department promised to look into the matter, examine the cases of the officers and report action, if any, against them at the next meeting of the Committee. The Committee decided that subject to this action on the item should be dropped.

(18) *Page 37 para. (16), "Temporary misappropriation of Rs. 10,958"*—It was pointed out to the Committee that this was a case where one Mr. Ahmed Ali, Accountant, misappropriated a sum of Rs. 10,958, for a temporary period of six to ten months. He subsequently deposited the money and absconded. No criminal case was lodged against him at the Police Station. The Committee was of the view that the Principal, Government College, Larkana, under whom Mr. Ahmed Ali, was at that time working was *prima facie*, negligent and wanted the Secretary, Education Department to find out if any action was necessary against him and to report the action taken at the next meeting of the Committee to be held at Lahore.

The Committee then adjourned to meet again at 8.00 A. M. on 6th May, 1964.

S. M. SOHAIL
Chairman,
Standing Committee on Public Accounts.

ANNEXURE 'A'

**STOCKS AND STORES HANDED OVER TO A PRIVATE PARTY UNDER INADEQUATE
AND DEFECTIVE BANK GUARANTEE (RS. 10 LACS)**

An evacuee¹ Cotton Mill was allotted to a certain² Department of the Provincial Government in May 1950 and was put into operation with effect from 1st September, 1950. The working of the Mill resulted in heavy losses which had accumulated to Rs. 7,74,,231³ upto the end of the year 1953-54. The Mill was leased out to a private party⁴ on 12th September, 1954 who were also given possession of Government stocks and stores valuing more than Rs. 10 lacs against a Bank Guaratee of Rs. 4 lacs only. The lessees had consumed, sold or otherwise disposed of stocks and stores worth Rs. 4,85,176 upto 2nd of February, 1955 the Mill was closed and sealed. This amount could not be recovered from the lessees as the Bank Guarantee was defective and also withdrawn. A Criminal case was registered against the lessees with the Police in 1955, but no serious attempts were made to take possession of the Government stocks and stores, to segregate stocks and stores belonging to the lessees, if any, and to dispose of the surplus stocks and stores to guard against deterioration and pilferages, etc. The case remained under Police investigations till 1959 when it was filed in a Court of Law. The possession of the Government stocks and stores was taken over during June 1961 to January 1962, i.e., after about seven year. The case was still in the Court when an ex-lessee⁵ filed a petition in the High Court for quashing the criminal case. The petition was ordered to be filed in October 1962 on the undertaking given by the petitioner that all payments due to the Government would be made after arbitration. An arbitrator has not so far been appointed.

At the time of taking over stocks and stores during June 1961 to January 1962, it was found that stocks and stores worth Rs. 1,27,272, lying in the Spining, Weaving, Engineering and Finishing Sections of the defunct Mill ware missing. As the Mill had already been auctioned in April 1958 by the Custodian and Rehabilitation Departments and the details of the auction proceeds were not forthcoming, it could not be verified whether these stocks and stores had been misappropriated by the ex-lessees, or were handed over to the auction purchaser.

The net loss suffered by the Government in the disposal, after about seven years of the left out stocks and stores is yet to be worked out by the Department concerned. To this may be added the loss on account of the irrecoverable amount due from the ex-lessees and the auction purchaser, if any, after the matter has been finalised.

The above losses could have been avoided if an appropriate and adequate security had been taken from the lessees at the time of handing over Government stocks and stores worth more than Rs. 10 lacs and the arrangements made for taking over the left out stocks and stores immediately after the Mill was closed on 3rd February 1955 so as to avoid deterioration and pilferages especially the loss of stocks and stores worth Rs. 1,27,272. The matter needs detailed investigations.

A.A.K. BABAR
Director of Commercial Audit.

¹Mela
Rain Cotton
Mills,

²Indus-
tries Depar-
ment.

³1952-53
6, 26, 589
1953-54
1,74,231
.....
7,74,231

⁴M/s
Rashid,
Ghani-Melli

⁵Sardar
Raishid
Ahmed

**DETAILS OF STOCKS VALUING OVER RS. 10 LACS HANDED OVER TO LESSEES ON
12TH SEPTEMBER, 1954.**

(i) Stocks consumed and sold by lessees upto 2-2-55, but not accounted for	4,85,176	Portion sidemarked A & B on page 63 of Commercial Accounts for 1956-57. F/D
(ii) Cloth	1,20,106	
(iii) Yarn	80,274	
(iv) Stores and stationery (sold by auction, loss not yet intimated.)	2,43,379	
(v) Coal	17,100	
(vi) stores in spinning weaving and finishing sections (Missing).	1,27,272	
10,73,307		

LOSS SUSTAINED IN DISPOSAL OF LEFT OUT STOCKS ETC.

- | | |
|---|-------------------------------|
| (a) Stores mentioned against items (ii), (iii) and (v) valuing Rs. 2,17,480 were sold during 1955-56 and accounted for in accounts for 1955-56. | F/W CA (P/23.8)
59.60 D.P. |
| (b) Stores valuing Rs. 2,43,379 mentioned against item (iv) are stated to have been sold during 1961-62. Loss sustained has not so far been worked out. | Ditto. |
| (c) Stores valuing Rs. 1,27,272 mentioned against item (vi) were found missing. | F/V Ditto. |
| (d) Stores valuing Rs. 4,85,176 consumed or sold out by lessees,— <i>vide</i> item (i) above but the amount not deposited by the lessees. | |

The loss sustained in disposal of stores mentioned against (b) and (c) is to be worked out by the Department. To this loss, the irrecoverable amount of Rs. 4,85,176 is to be added in order to work out total loss sustained by Government.

PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE
 ON PUBLIC ACCOUNTS HELD ON THE 6TH MAY, 1964, AT 8 A.M.
 TO 12 NOON IN THE LIBRARY ROOM OF THE OLD SIND
 ASSEMBLY BUILDING, KARACHI

Present—

- | | |
|--|------------------------------|
| (1) Mr. S. M. Sohail, M.P.A. | .. Chairman. |
| (2) Sardar Ahmed Ali, M.P.A. | .. Member. |
| (3) Khan Atta Hussain Khan, M.P.A. | .. Member. |
| (4) Mr. Ghulam Muhammad Shah, M.P.A. | .. Member. |
| (5) Mr. Mir Mohammad Khan Talpur, M.P.A. | .. Member. |
| (6) Chaudhri Muhammad Iqbal, Secretary, Provincial Assembly of West Pakistan. | <i>Ex-officio Secretary.</i> |
| (7) Mr. S.M.A. Subzwari, P.A.&A.S. Accountant General, West Pakistan. | By Invitation. |
| (8) Mr. N.V. Jaffery, C.S.P., Secretary to Government of West Pakistan, Finance Department .. | Expert Advisor. |
| (9) Mr. Mauzoor Elahi, C.S.P., Secretary, Education Department, alongwith Regional Heads of the Department under Education Department. | |
| (10) Mirza Bashir Ahmed, Deputy Secretary, Law Department alongwith Mr. Abdul Qadir Shaikh, Additional Advocate-General and Mr. Obaidullah Shaikh, Deputy Solicitor. | |

II. The Committee resumed consideration of the explanation furnished by the Education Department.

- (1) Page 37, para. (17) Excess payments.

The Committee decided that the facts of the case be sorted out between the Education Department and the Audit and if the matter was still unresolved, it should come up before the Committee at the next meeting in Lahore.

- (2) Page 37, para. (18)(i) Excess payment.

The Committee observed that books worth a certain amount which amount was not material, were purchased from a certain bookseller and the invoice prepared mentioned all the books and a total price was struck against them, but while supplying the books the bookseller scored out certain books without scoring out the relevant price of the books against the same with the result that a sum of Rs. 1,478 was paid to the bookseller on account of books which were not supplied. It was explained that Mr. N.H. Memon of the Hyderabad Directorate of Education was appointed to enquire into the matter and he reported that nobody was responsible for this loss of library books. The Committee did not find this explanation satisfactory. The Secretary, Education Department agreed with this view of the Committee and promised to fix responsibility and take action against the official concerned in the nature of recovery of the amount and punishment if any, for the negligence. The Committee decided that the action taken be reported to the Committee at its next meeting to be held in Lahore.

- (3) Page 37, paragraph (18)(ii)-payment of Rs. 3,937 for purchase of library books.

The Committee decided that the Secretary, Education Department should produce Comptroller, Southern Areas's letter regarding production of invoice and his having agreed to the item in the next meetings of the Committee at Lahore.

- (4) Pages 37-38 paragraph 19(i) Unauthorised financial aid to supplies and withdrawal of money to avoid the lapse of budget grants.

The explanation was considered satisfactory by the Committee and the item was dropped.

(5) Page 38, paragraph 19 (ii):

The Audit pointed out that in this case apart from the fact that there was an irregularity of payment of Rs. 2,000 an important question of principle was involved, namely, that the grant meant to be spent for a particular year was by an under hand device taken over for expenditure to the next year. The Committee observed that in this case Rs. 2,000 were spent only 11 days before the actual supply was made and it appeared to the Committee that the purchased commodity were actually changing hands at about the same time. The Committee decided that no further action was necessary in this case.

(6) Page, 38, paragraph 19 (iii)—

In this case three irregularities were involved (i) Money was drawn on 31st March, 1958 for the purchase of furniture and was shown as paid on the same day in the cash book. (ii) It was deposited in a private bank on 1st April, 1958. (iii) A sum of 15,000 was drawn on 5th April, 1958 and paid to the Contractor while supply was made by him in the month of May.

Secretary, Education Department and Secretary, Finance Department agreed that this was a serious matter, and that action should be taken against the officials responsible. Secretary, Education Department stated that he will take action after fixing responsibility and report the result to the Committee at its next meeting at Lahore.

(7) Page 38, paragraph 19 (iv)

The Secretary of the Education Department promised to look into the irregularity and make a report to the Committee at its next meeting at Lahore.

(8) The remaining items pertaining to the Education Department could not be taken up by the Committee as the Secretary, Education Department and Directors of Education were required to attend the Convocation in Karachi University at 10 a. m. The Committee therefore decided that the remaining items should come up before it at its next meeting to be held at Lahore.

AGRICULTURE DEPARTMENT

(9) The Committee observed that originally the meeting of the Committee for the consideration of the items in respect to Agriculture Department was fixed for 3 p. m. and the venue for the same was 10 Victoria Road, Karachi. Subsequently as 10-Victoria Road, Karachi, was not available the Committee refixed the meeting in the old Sind Assembly Building at 8 a.m. Information regarding the change in time and venue was conveyed to the Agriculture Department through the Finance Department and the Committee was informed by the Finance Secretary that the relevant information was sent to the Agriculture Department. But the Secretary of Agriculture Department was not present in the meeting nor any intimation was received by the Committee as to why no body turned up. The Committee took a very serious view of this as it involved waste of public time and money. The Committee expected a better approach and appreciation by the Heads of the Departments on the subject. The Committee wanted to know as to why the Secretary of the Department was unable to attend this meeting as also why no intimation was sent by him to the Committee if he was unable to attend the meeting. The Committee decided that the items relating to this Department will be considered at Lahore on the 30th May, 1964.

INFORMATION DEPARTMENT

(10) Intimation was received from the Secretary, Information Department that he would not be able to attend the meeting on account of his preoccupation

at Rawalpindi, which was accepted by the Committee. The Committee decided that the items relating to the Information Department will be taken up in the next meeting of the P.A.C. to be held at Lahore on the 30th May, 1964.

LAW DEPARTMENT

(11) The Committee found that neither the Secretary of the Law Department was present nor he sent any intimation as to why he could not be present when his presence had been called for by the Committee. The Committee decided that matters pertaining to the Law Department should be considered at the next meeting of the Committee to be held in Lahore on the 30th May, 1964. || B

FINANCE DEPARTMENT

(12) Page 5, para. 5, read with page 239, Savings on voted grants; Saving of more than 10 per cent 40- The explanation was considered satisfactory by the committee and the item was extraordinary charges.

(13) Page 5, Paragraph 5, read with page 249, saving under the head "46—Loans and Advances". Ditto

(14) Page 7, para. 8, Excess over voted grants under the head 36-Privy purses and subsidies, Superannuation Allowances and Pensions. Ditto.

(15) Pages 7-251, para. 8, "47-Suspense" Ditto

(16) Page 7, para. 9. "Excess over charged appropriation." Ditto.

(17) Page 7, para 9, "Excess over charged appropriation, Excess Rs. 3,74,61,640." Ditto.

(18) Page 9, para. 12(i) Ditto.

(19) Page 7, para 12, Supplementary grants and appropriation proving partly or wholly unnecessary. Ditto.

(20) The Committee then decided that the Finance Department should prepare agenda for the next meetings of the Committee to be held from 28th May, 1964 to 31st May, 1964 at Lahore and circulate the working papers to the members of the Committee in advance.

The Committee then adjourned to meet again on the 28th May, 1964, at 9 a.m. in the Committee Room of the Assembly Building, Lahore.

S. M. SOHAIL
CHAIRMAN,
Standing Committee on Public Accounts.

**PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE
ON PUBLIC ACCOUNTS HELD ON THE 28TH JULY, 1964 AT
9.00 A. M. AND 4.30 P. M., ON 29TH JULY, 1964 AT 4.30 P. M.
IN THE TEA ROOM OF THE ASSEMBLY BUILDING,
LAHORE.**

I. The following were present :—

(1) Mr. S. M. Sohail, M. P. A.	Chairman
(2) Sardar Ahmed Ali, M. P. A.	Member.
(3) Khan Atta Hussain Khan, M. P. A.	Member.
(4) Mr. Ghulam Mohammad Shah, M. P. A.	Member.
(5) Chaudhri Muhammad Iqbal, Secretary, Provincial Assembly of West Pakistan	<i>Ex-Offi.</i> <i>c/o-Secretary</i>
(6) Mr. S. M. Nasim, C. S. P., Additional Finance Secretary, Government of West Pakistan.	Expert Adviser.
(7) Mr. M. Riazul Hassan, P. A. A. S., Director of Audit and Accounts (Works). ..	By invitation.
(8) Mr. Rafiq Inayat, C. S. P., Secretary, Communications and Works and Regional Heads of Departments of Communications and Works were also present ..	Ditto.

II. The Committee proceeded to examine the explanation of the Communication and Works Department in respect of savings of Rs. 2,08,78,270 being the amount of surrender out of the original grant of Rs. 1,05,77,220 under Head—"81—Capital Account of Civil Works outside the Revenue Work" under Grant No. 33—Civil Works—Capital page 5, para 5 and page 197 of the Appropriation Accounts for 1957-58.

The Communication and Works Department explained the saving of Rs. 2,08,78,270 was the result of surrenders made in respect of the following works:—

1. D—Forest—Construction of Office and Residence for Range Forest Officer, Hyderabad and quarter for Range Clerk at Khipro and Khairpur—Saving Rs. 22,000—This item was dropped in the meeting held on 28th April, 1964.

2. F—General Administration—Construction of District Headquarters Buildings at Thatta Saving Rs. 20,00,000—There was a further saving of Rs. 8,80,000 between the modified grant and the actual expenditure. Both the items were considered together.

It appeared that originally a sum of Rs. 40 lakhs was provided in the budget for this work. At the time of the grant of administrative approval on 15th June, 1957, the administrative approval was granted for a sum of Rs. 30 lakhs only out of which a sum of Rs. 11 lakhs was spent. Mr. Hamid-ud-Din, Chief Engineer, Southern Region, who appeared before the Committee to represent his Department's case, drew attention to the fact that a sum of Rs. 5,18,000 was spent on Public Health Works, Electrification and Water Supply over and above the sum of Rs. 11 lakhs spent on Building Portion. This fact, he stated he had gathered from the divisional monthly accounts for the next financial year, that is, 1958-59. The Audit was unable to confirm that this amount was spent within the financial year 1957-58. Mr. Hamid-ud-Din, however was emphatic that this amount was incurred in 1957-58.

Mr. Hamid-ud-Din made a brave effort to explain away the non-expenditure of the remaining amount of Rs. 15 lakhs by stating that there was non-availability of cement and the difficulty of procurement of water and delay in the execution of work on the part of the contractor.

In the absence of Audit Scrutiny the Committee could not accept the proposition that the additional amount of Rs. 5 lakhs on Public Health, Water Supply and Sanitary fittings was spent in 1957-58 and observed that even if this proposition was accepted, the position that a sum of Rs. 15 lakhs, out of the total of Rs. 30 lakhs was not spent and had to be surrendered had to be explained satisfactorily. Further, in the absence of any documentary evidence, the Committee could not accept the proposition that there was non-availability of cement and observed that Mr. Hamid-ud-Din, Chief Engineer, Southern Region had been informed in the last meeting that if he wanted to take up this defence he had to produce some documentary evidence to show that there was non-availability of cement at the time. As far as the difficulty in the procurement of water was concerned, the Chief Engineer stated that the responsibility for procurement of water was on the Government. Considering the location of the works with the Matli Jheel nearby and the River Indus running at a distance of about a mile from the site, the Committee could not accept the plea that there was such non-availability of water that in spite of the best efforts of the Government, water could not be made available. The Committee was of the opinion that if the authorities, entrusted with the execution of the work, would have been serious about the completion of work within time they could have certainly made greater effort for the procurement of water at the working site.

The Committee came to the conclusion that the works were not completed in time due to the carelessness of Departmental Officers whose responsibility it was at that time to see that the work was executed in time, and recommended to Government to take suitable action against the officers concerned who were responsible for these avoidable delays.

3. H—Administration of Justice—Transfer of Headquarter of Sessions Judge from Lahore to Montgomery. Saving Rs. 76,950—A sum of Rs. 76,950 was provided in the budget for the construction of Headquarters building for the District and Sessions Judge which was to be transferred from Lahore to Montgomery. The whole of this amount remained unutilised for the reason that the administrative approval for the expenditure of this amount came after the end of the financial year in December, 1958. Regional Office file of the case which also contained letter No. 15/168-P/Judicial/58, dated 6th December, 1958 from the Secretary to Government of West Pakistan, Home Department to the Registrar, High Court of West Pakistan granting approval for the said work was shown by Sheikh Muhammad Akram, Chief Engineer, Bahawalpur Region. It revealed that the Regional Office had started writing for administrative approval beginning with letter No. 3-W/56/930/W/3, dated 2nd September, 1957. In the circumstances the Committee considered the non-expenditure by the Communications and Works Department fully justified and dropped the item.

The Committee observed that this was one of those extreme cases where the bottle-neck of belated administrative approval had completely blocked the progress of work in as much as the administrative approval came after the financial year was over and strongly felt that some mechanism should be devised by which this hurdle of administrative approval, which operates to retard and sometimes stops the work completely, could be overcome. The Committee suggested that it might be worthwhile to examine whether administrative approval should be available simultaneously with the grant of the amount by the Assembly. The attention of the Committee was drawn to Rule 7.6 (b) (ii) of the Punjab Budget Manual, Fifth Edition, which is produced below :—

“No project should be included in the list of major works which has not received the necessary administrative approval”

The Committee considered it a very salutary rule and observed that if this rule was strictly followed, the progress of works would be very much enhanced. With these observations, the item was dropped.

H—JAIL AND CONVICT SETTLEMENTS

4. Construction of new Jail Building at Bahawalpur—Saving Rs. 96,690
 —This item was dropped in the last meeting.

I—POLICE

5. Construction of Police Headquarter at Lundianwala—Saving Rs. 55,380
 —This item was dropped in the last meeting.

I—EDUCATION

6. (a) Construction of building for Bhitshah Cultural Centre—Saving Rs. 5,00,000—This item was dropped in the last meeting.

(b) Construction of Pre-Cadet College at Mirpurkhas—Saving Rs. 1,50,000—
 This item was dropped in the last meeting.

(c) Construction of Boys High School at Sanghar and Matli—Saving Rs. 4,00,000—The explanation was considered satisfactory and the item was dropped.

(d) Certain works of the Education Department which were provided in the Schedule of New Expenditure—Saving Rs. 12,18,500—This item was dropped in the last meeting.

N—PUBLIC HEALTH

7. Construction of certain buildings in D. V. Hospital, Bahawalpur (E. N.T. Department Outward)—Saving Rs. 5,51,420—The explanation was considered satisfactory and item was dropped.

O—AGRICULTURE

8. Construction of certain works of the Agriculture Department in different regions—Saving—Rs. 34,52,765.

(1) Constructing hostel in Agricultural College, Tando Jam—Saving Rs 74,000—The explanation was found satisfactory and item was dropped.

(2) Providing Residential accommodation for Officers and Staff of the Agricultural Engineering Workshop Saving Rs. 2,42,500—The whole of the amount which was to be utilised for providing residential accommodation for the officers and staff of the Agricultural Engineering Workshop at Tandojam, remained unspent. The reason given by the Department for the non-execution of the work was (i) that the administrative approval was received by 23rd September 1957 although it was asked for in July, 1957; (ii) that there was a dispute regarding the construction of one bungalow, where the Principal of the College wanted an 'A' class bungalow to be built at a cost of Rs. 62,000 in place of a 'C' class bungalow to be built at Rs. 48,000.

The Committee observed that accepting both these explanations the position still remained to be explained as to why a sum of Rs. 1,82,500 was not utilised from September, 1957 to March, 1958. This work, it was pointed out to the Committee was under the same Officer who was responsible for the construction of District Headquarters at Thatta referred to at item No. 2 above. The Committee recommended to Government to take suitable action against him.

The Committee considered the explanation with regard to surrender of Rs. 1,82,500 out of a total grant of Rs. 2,42,500 as unsatisfactory.

(3) Step down arrangement in Lecturer Room of Agricultural College, Tando-Jam—Saving—Rs. 70,000—The explanation was found satisfactory and the item was dropped.

(4) *Constructing Agricultural Stores in Southern Region at Hyderabad*
Saving—Rs. 4,36,900—A sum of Rs. 4,36,900 was not spent on account of the fact that the possession of the site for the stores which were to be constructed for the Agricultural Department, was not handed over to the Public Works Department by the Agricultural Department till as late as February, 1958. The Committee considered the explanation for the delay in the execution of the work as satisfactory. The item was dropped.

(5) *Constructing residential houses of various types at Agricultural College, Tandojam—Surrender Rs. 2,21,000*—This amount had to be surrendered due to non-receipt of administrative approval upto December, 1957. The explanation was satisfactory and the item was dropped subject to the same remarks as at item No. 3 above regarding late receipt of administrative approval.

(6) *Engineering Workshop at Tandojam—Saving—Rs. 92,870*—The explanation was considered satisfactory and the item was dropped.

(7) *Extension of Government Fruit Farm, Mirpurkhas—Saving Rs. 72,000*
 The explanation was considered satisfactory and the item was dropped.

(8) *Constructing Tractor Repair Workshop—Saving—Rs. 1,17,870*—In this case, it was necessary to obtain the revised administrative approval in as much as the original estimate of Rs. 2,83,000 had to be revised to Rs. 4,13,100 as desired by the Agricultural Department on account of the extra work. The revised administrative approval came in October, 1957. The Public Works Department carried out roughly half of the work in a span of six months left with them. The explanation was considered satisfactory and the item was dropped subject to the same remarks regarding the late receipt of administrative approval as at item No. 3 above.

(9) *Establishment of Department Ginnery at Lyallpur—Saving Rs. 800*
 The explanation was considered satisfactory and the item was dropped.

(10) *Constructing Agricultural Stores at Lyallpur—Saving Rs. 4,270*—The explanation was considered satisfactory and the item was dropped.

(11) *Constructing of Agricultural Stores at Shorkot—Saving Rs. 21,000*
 The explanation was considered satisfactory and the item was dropped.

(12) *Constructing Agricultural Stores at Toba Tek Singh—Saving Rs. 21,000*
 —The explanation was considered satisfactory and the item was dropped.

(13) *Constructing of 8 Demonstrators quarters at Lyallpur—Saving—Rs. 67,520*—The explanation was considered satisfactory and the item was dropped.

(14) *Constructing 2 clerks, one officers bungalow at Risalewala Farm—Saving Rs. 54,000*—The explanation was considered satisfactory and the item was dropped.

(15) *Constructing of 5 Agricultural Assistant Quarters at Lyallpur—Saving Rs. 44,900*—The explanation was considered satisfactory and the item was dropped.

(16) *Constructing of 10 Demonstrators quarters at Lyallpur—Saving Rs. 99,900*—The amount was surrendered as administrative approval came on 1st March 1958. The explanation was considered satisfactory and the item was dropped subject to the same observations in respect of late receipt of administrative approval as at item No. 3 above.

(17) *Conversion of D. C. Electric Current to A. C. Current in P. A. C., Lyallpur—Saving—Rs. 1,55,035*—The amount was surrendered as administrative approval came on 31st March 1958. The explanation was considered satisfactory and the item was dropped subject to the same observations in respect of late receipt of administrative approval at item No. 3 above.

(18) *Constructing of one Class II bungalow and 3 Agricultural Assistant Quarters at Risalewala—Saving Rs. 54,000*—The amount was surrendered as

administrative approval came on 16th January 1958. The explanation was considered satisfactory and the item was dropped subject to the same observations in respect of late receipt of administrative approval as at item No. 3 above.

(19) *Constructing Boiler for Agricultural Workshop, (ii) Fixture in the workshop—Saving Rs. 4,53,000*—In this case, again, the administrative approval was received on 15th November 1957 necessitating the surrender of the entire amount and no work was done. The explanation was considered satisfactory and the item was dropped with the same observations regarding the late receipt of administrative approval as at item No. 3 above.

(20) *Constructing Agricultural Store at Kot Adu in Muzaffargarh—Saving—Rs. 24,500*—In this case the administrative approval was not received till the close of the year, and the amount had to be surrendered. The explanation was considered satisfactory and the item was dropped subject to same remarks as at item No. 3 above.

(21) *Constructing of Laboratory at Rajanpur—Saving—Rs. 9,600*—The explanation was found satisfactory and the item was dropped.

(22) *Constructing of Laboratory at Chistian—Saving—Rs. 4,170*.—The explanation was found satisfactory and the item was dropped.

(23) *Constructing quarters of various farms of Agriculture Department in Multan region at Bahawalpur—Saving—Rs. 1,34,100*—The explanation was found satisfactory and the item was dropped.

(24) *Construction of Tehsil level Agriculture Store at Khanpur—Saving—Rs. 1,685*—The explanation was found satisfactory and the item was dropped.

(25) *Constructing Agriculture Store at Haroonabad—Saving—Rs. 3,690*—The explanation was found satisfactory and the item was dropped.

(26) *Constructing one Class-II Bungalow, one Agriculture Assistant Quarter at Khanpur—Saving—Rs. 15,000*—The explanation was found satisfactory and the item was dropped.

(27) *Constructing Tehsil level Agricultural Store at Sadiqabad—Saving—Rs. 1,685*—The explanation was found satisfactory and the item was dropped.

(28) *Constructing building for training of Field Assistant of Quetta—Saving—Rs. 49,000*—The explanation was found satisfactory and the item was dropped.

(29) *Constructing of Agricultural Stores at Quetta—Saving—Rs. 1,82,000*—The explanation was found satisfactory and the item was dropped.

(30) *Constructing of Agricultural Laboratory at Quetta—Saving—Rs. 1,60,000*—The explanation was found satisfactory and the item was dropped.

(31) *Constructing of Agricultural Store in Central Region—Saving—Rs. 38,750*.—The explanation was found satisfactory and the item was dropped.

(32) *Constructing of Buildings at Tarnab Farm, Peshawar—Saving—Rs. 95, 530*—The explanation was found satisfactory and the item was dropped.

(33) *Construction of building at Sugar-cane Research Station at Mardan and non construction of building at Rakh Mangam Farm, D. I. Khan—Saving—Rs. 38,500*—The explanation was found satisfactory and the item was dropped.

(34) *Construction of building for establishment of Agricultural Store (Northern Region)—Saving—Rs. 9,910*—The explanation was found satisfactory and the item was dropped.

(35) *Construction of three Class-I type bungalows for three newly created posts at Tarnab—Saving—Rs. 30,100*.—The explanation was found satisfactory and the item was dropped.

(36) Construction of laboratory at Tarnab—Saving—Rs. 1,64,000—The explanation was found satisfactory and the item was dropped.

(37) Construction of quarters at various farms of Agriculture Department—Saving—Rs. 2,62,780—The explanation was found satisfactory and the item was dropped.

P—VETERINARY

9. Construction of various works of Veterinary Department in different Regions—Saving—Rs. 25,63,500.

(1) Providing of Nucleus Stud Stock of Bulls in Government Tarnab Farm Peshawar—Saving Rs. 40,000—The entire amount under this Head was surrendered because the Department of Agriculture wanted to get the work done themselves. The Committee observed that this was a small work and the amount involved was not much but the principle involved appeared to be quite serious. Was it open to all the Departments to take up the execution of the work themselves and in this context to write to the Public Works Department not to take up those works? Attention of the Committee was drawn to the following rule contained in the Buildings and Roads Department Code at para. 2.101 on page 78.

"Save in cases where the Governor may assign the construction and maintenance of buildings to the departments using or requiring them, that the execution of all the works of construction and repairs required for Government Departments, should be entrusted to the Buildings and Roads Department".

The Committee directed that the Department of Agriculture be called upon to explain by the 10th of August, 1964, whether they undertook this work and if they did so, was it done by obtaining the approval of the Governor as envisaged by the rule referred to above.

(2) Development Veterinary and Live-Stock building activities in excluded areas of D. G. Khan—Saving—Rs. 1,63,000—The explanation was found satisfactory and the item was dropped.

(3) Development of live-stock on range management at Cholistan—Saving—Rs. 25,000—The explanation was found satisfactory and the item was dropped.

(4) Establishment—Medical Stores in West Pakistan Construction of stores, workshops and office buildings, Lahore—Saving—Rs. 30,000—The explanation was found satisfactory and the item was dropped.

(5) Constructing building of the Scheme to the Establishment of Station in Animal Nutrition, Lahore—Saving—Rs. 81,000—The explanation was found satisfactory and the item was dropped.

(6) Construction of scheme for stall feeding goats and Domani sheep in West Pakistan, Lahore—Saving—Rs. 9,000—The explanation was found satisfactory and the item was dropped subject to the same remarks as at item 9 (1) above in the case of Tarnab Farm.

(7) Scheme for development of Biological production Section in the College of Animal Husbandry—Saving—Rs. 4,57,500—The explanation was found satisfactory and the item was dropped.

(8) Scheme for establishment of Live-stock and Statistical scheme for West Pakistan at College of Animal Husbandry, Lahore—Saving—Rs. 35,000—The explanation was found satisfactory and the item was dropped.

(9) Increase in the Animal Husbandry Graduate Constructing of Lecture Theater—Saving—Rs. 2,70,000—The explanation was found satisfactory and the item was dropped.

(10) Production of Nucleus Stud stock of Bull in Cantonment Lahore—Saving—Rs. 4,00,000—The explanation was found satisfactory and the item was

dropped subject to the submission of explanation by the Agriculture Department as decided at item No. 9(1) in the case of Tarnab Farm.

(11) *Development of Live-Stock on Range Management in Jhelum District—Saving—Rs. 29,000*—The explanation was found satisfactory and the item was dropped subject to the submission of explanation by the Agriculture Department as decided at item No. 9(1) in the case of Tarnab Farm.

(12) *Building in connection with Poultry Scheme at Hyderabad—Saving—Rs. 2,06,000*—The explanation was found satisfactory and the item was dropped subject to the submission of explanation by the Agriculture Department as decided at item No. 9(1) in the case of Tarbab Farm.

(13) *Production of Nucleus stud of Bulls in Government Farm at Hyderabad Region—Saving—Rs. 7,00,000*—The explanation was found satisfactory and the item was dropped.

(14) *Development of live-stock on Range Management at Nagar Parkar—Saving—Rs. 20,000*—The explanation was found satisfactory and the item was dropped.

(15) *Development of live-stock in Range Management at Ran Pethani—Saving—Rs. 20,000*—The explanation was found satisfactory and the item was dropped.

(16) *Constructing of Building for Establishment of station for criminal at Hyderabad—Saving—Rs. 40,000*—The explanation was found satisfactory and the item was dropped.

(17) *Development of live-stock on range management in Kalat Division—Saving—Rs. 29,000*—The explanation was found satisfactory and the item was dropped.

P—INDUSTRIES

10. *Construction of various works of the Industries Department Total Saving—Rs. 17,86,630*

(1) *Wool spinning and weaving— cum training centre at Kaghan and Chitral—Saving—Rs. 27,500*—The explanation was considered satisfactory and the item was dropped.

(2) *Development of Sericulture Industry and construction of Erstein Pashawar and Dera Ismail Khan Divisions—Saving—Rs. 20,000*—The explanation was considered satisfactory and the item was dropped.

(3) *Construction of new building of Technical Institute, Peshawar—Saving—Rs. 2,70,000*—The explanation was considered satisfactory and the item was dropped.

(4) *Constructing new building for Government Technical Institute, Bahawalpur—Saving—Rs. 1,40,000*—The explanation was considered satisfactory and the item was dropped.

(5) *Development of Sericulture Industry at Bahawalpur—Saving—Rs. 7,000*—The explanation was considered satisfactory and the item was dropped.

(6) *Wool Spinning and Weaving— cum Training centre at Jhang—Saving—Rs. 15,000*—The explanation was considered satisfactory and the item was dropped.

(7) *Wool Spinning and Weaving— cum training centre at Khairpur—Saving—Rs. 23,000*—The explanation was considered satisfactory and the item was dropped.

(8) *Extension of existing Government Technical Institute at Hyderabad—Saving—Rs. 2,50,000*—The explanation was considered satisfactory and the item was dropped.

(9) Extension of existing Government Technical Institute at Khaipur—Saving—Rs. 1,48,000—The explanation was considered satisfactory and the item was dropped.

(10) Model training and footwear centre at Hyderabad—Saving Rs. 1,27,800—The explanation was considered satisfactory and the item was dropped.

(11) Wool spinning and weaving-cum training centre at Kalat—Saving—Rs. 24,000—The explanation was found satisfactory and the item was dropped.

(12) Development of Sericulture Industry and construction of Huts in Kalat Division—Saving Rs. 14,000—The explanation was found satisfactory and the item was dropped.

(13) Vocational Education for women in West Pakistan, Lahore—Saving—Rs. 1,60,000—The explanation was found satisfactory and the item was dropped.

(14) Extension of existing buildings of Government Institute of Technology Lahore—Saving—Rs. 57,000—The explanation was found satisfactory and the item was dropped.

(15) Constructing mining training staff centre at, Khairpur—Saving—Rs. 1,35,200—The explanation was found satisfactory and the item was dropped.

(16) Additional accommodation of Government Metal works Institute at Sialkot—Saving—Rs. 1,25,000—The explanation was found satisfactory and the item was dropped.

(17) Model Tannery and foot wear centre at Gujrat—Saving—Rs. 1,24,800—The explanation was found satisfactory and the item was dropped.

(18) Electrification and Construction of 1st floor of building of the Government Institute Research Laboratories, Lahore—Saving—Rs. 81,760—The explanation was found satisfactory and the item was dropped.

(19) Development of Sericulture Industry and construction of Huts—Saving—Rs. 30,250—The explanation was found satisfactory and the item was dropped subject to the same remarks regarding furnishing necessary information by Industries and Commerce Department whether the Governor's sanction had been obtained for carrying out the work departmentally as is mentioned at item No. 9(1) above.

11. The Committee at this stage observed that various items relating to works of Agriculture, Veterinary and Industries Departments mentioned against items 8, 9 and 10 above were dropped by the Committee as in these cases either the administrative approval was received very late from the Administrative Departments or the selection of site was made very late by the Departments or for one reason or the other involving lapses on the part of the Administrative Departments. The Committee observed that all these works were nation-building works and would have contributed very much towards the improvement of the Department and the general economy of the country. The Committee took a very serious view of the position and drew the attention of the Government to the Departments concerned to these very serious lapses on the part of the said Departments throughout the Province. As a matter of fact all the works were either delayed or had to be given up. The Committee decided that these Departments should submit a report to the Committee as to why these serious lapses took place and what steps they had taken to ensure that these lapses do not occur in future. This report should be submitted to the Committee in its meeting to be held on 10th August 1964.

12. S—Civil Works—Construction of One Unit Accommodation at Peshawar Bahawalpur Multan Hyderabad and Kalat—Saving Rs. 77,04,535,

(1) *One Unit Accommodation at Bahawalpur—Saving Rs. 32,00,000*—The explanation given by the Department was found satisfactory in as much as it took a very long time to find out as to what were the requirements from the concerned Departments. The item was dropped.

(2) *Construction of staff quarters and Officers at Multan Saving Rs. 23,00,000*,
The explanation given by the Department was found satisfactory in as much as it took very long time to find out as to what were the requirements from the concerned Department. The item was dropped.

(3) *Constructing One Unit Building at Khairpur and Sukkar—Saving Rs. 4,80,000*—The explanation given by the Department was found satisfactory in as much as it took a very long time to find out as to what were the requirements from the concerned Departments. The item was dropped.

(4) *Constructing residential and Office accommodation at Hyderabad—Saving Rs. 10,22,000*—The explanation was found satisfactory and the item was dropped.

(5) *One Unit accommodation at Kalat—Saving Rs. 7,02,535*—The explanation given by the Department was found satisfactory in as much as it took a very long time to find out as to what were the requirements from the concerned Departments. The item was dropped.

13. MISCELLANEOUS DEPARTMENT

Additions and alteration to Village Aid Institute at Peshawar—Saving Rs. 3,00,000—The original grant in this case was about eleven lakhs, the whole of which was surrendered in two instalments, eight lakhs and three lakhs. The explanation given was not found complete and therefore, was considered not satisfactory. The Communications and Works Department should give full explanation and get the matter cleared with the Audit. The attention of the Department was invited to the fact that explanations should always be full and complete because the Committee could not await prolonged and delayed explanation after a lapse of seven years.

III. The Committee then considered the explanations of the Communications and Works Department for the saving of Rs. 5,43,906 (being the difference of the modified grant and the actual expenditure) under the head "70—CAPITAL OUTLAY" under grant No. "33—Civil Works—Capital".

The Communications and Works Department explained that the saving of Rs. 5,43,906 was due to saving made in the following works:—

1. *Bulk Water Supply to Hyderabad and Shah Latifabad—Saving Rs. 4,16,130*—Three reasons were given for this saving of Rs. 4,16,130. The main reason was that the machinery and other equipment which were required for installation of filter plant could not be received during the financial year in question which was indented well in advance through D. G. S. and D. Karachi. The other two reasons were that there were difficulties in the supply of cement and that the clearing of Khadam Shah Tank was stopped due to the fact that the Contractor disagreed to execute the work in question being low rate, for which extra items were prepared due to which the work of clearing Khadam Shah Tank was held up. Mr. Hamid-ud-Din, the present Chief Engineer, Southern Region explained that he was not the person who had done this work and that the work had been transferred to the Public Health Engineering Department since two years back. From the records available with him, he was not in a position to state as to what was the cost of this machinery and other equipment. Had the cost of machinery and other equipment amounted to Rs. 4,16,130, which has been saved, then the item would have stood sufficiently explained. But the cost could not be stated and the explanation was, therefore, not considered to be satisfactory. The two reasons of non-availability of cement and disagreement with

the contractor regarding rates were also considered as not very convincing for the reason that no documents were produced to substantiate that there was non-availability of cement and the question of disagreement with the contractor over rates could be settled within the rates provided for in such work. The Committee was handicapped due to the non-appearance of the right person to supply the explanations which were necessary to clear the item. In fact if this item could have been taken up earlier with the Audit with regard to the price of machinery and equipment, perhaps this item should not have come before the Committee at all. The Committee decided that the Secretary, Communication and Works, should please collect the requisite information regarding the cost of machinery and other equipment and clear it up with the Audit and if the Audit is satisfied, the item need not come up with the Appropriation Accounts of the next year. The Committee further observed that as the Committee has to submit its report in respect of Appropriation Accounts for 1957-58 early, it could not wait for the collection of all the information any more.

(2) *Hirabad Distribution—Saving Rs. 1,27,782*—Under this item there was a grant of about rupees five lakhs out of which Rs. 4,50,000 was required for the purchase of cast iron pipes. It was stated that the cast iron pipes which were to be imported from foreign country through D. G. S. and D. Karachi were not received in full during the financial year and, therefore, there was a saving of Rs. 1,27,782. The explanation was considered satisfactory and the item was dropped.

(3) *Tool and Plants Charges—Saving Rs. 25,953*—The explanation was found satisfactory and the item was dropped.

(4) *Construction of drainage Works at Hyderabad and Latifabad—Saving Rs. 5,23,700*—It was pointed out to the Committee that this item will come up in the next year's report also. The Committee, therefore, decided to drop this item.

IV. The Committee commenced consideration of the reasons for the saving of Rs. 91,53,074 between the modified grant and the actual expenditure under head "81—Capital Accounts".

GENERAL ADMINISTRATION

1. *Construction of headquarters building at Thatta—Saving of Rs. 8,80,900*
This has already been considered at item II(2) above.

I.—EDUCATION

2. *Opening of boys high school at Sanghar and Matli—Saving of Rs. 2,62,900*
The Committee did not find the explanation satisfactory. The Committee observed that steps should have been taken to expedite the work so that this nation building work of opening a boys high school at Sanghar and Matli should have been completed in time.

3. *Constructing residential accommodation for staff and officers of Agriculture at Tandojam—Saving Rs. 3,00,000*—The Committee was not satisfied with the explanation. The work should have been expedited and completed in time.

4. *Constructing 30 drinking water tanks in excluded Areas of Dera Ghazi Khan through Political Agents Dera Ghazi Khan instead of Buildings and Roads Department—Saving of Rs. 42,377*—The explanation was found satisfactory and the item was dropped.

ADMINISTRATION OF JUSTICE

5. *Providing water supply and S. I. in the residences of District and Sessions Judge, Montgomery—Saving of Rs. 2,052*—The explanation was found satisfactory and the item was dropped.

JAILS AND CONVIOT SETTLEMENT

6. *Providing Water Supply and S. I. in the new Central Jail, Bahawalpur—Saving of Rs. 1,457*—The explanation was found satisfactory and the item was dropped.

7. *Sewerage and Water Supply fittings in the new Central Jail at Bahawalpur—Saving of Rs. 22,475*—In this case it was pointed out that a warning had been issued by the Department to the Sub-Divisional Officer concerned. The item was dropped.

8. *Electric Installation in new Central Jail, Bahawalpur—Saving Rs. 8,990*—The Committee was informed that the work could not be carried out as the Store Purchase Officer refused the approval on 31st March 1957 after which there was no time to make local purchases. The Committee observed that it was very unfortunate that a refusal was made in this case. The item was dropped.

S—CIVIL WORKS

9. *Constructing of Bitumen Storage tank at Multan, Muzaffargarh, and Montgomery—Saving Rs. 17,104*—The explanation was found satisfactory and the item was dropped.

10. *Construction of 2 paccas tanks at Dajalin, Dera Ghazi Khan—Saving Rs. 14,660*—The explanation was found satisfactory and the item was dropped.

11. *Constructing one Unit staff quarters at Bahawalpur—Saving Rs. 27,430*—It was pointed out to the Committee that the work could not be carried out as the number of bricks required were not made available locally nor a Bhatta could be put up. The item was dropped.

N—HEALTH SERVICES

12. *Constructing administrative block X-Ray block Kitchen etc. in B. V. Hospital at Bahawalpur—Saving Rs. 19,108*—The explanation was found satisfactory and the item was dropped.

13. *Constructing compound wall in B. V. Hospital at Bahawalpur—Saving Rs. 33,136*—The explanation was found satisfactory and the item was dropped.

14. *Constructing E. N. T. Casualty Ward and laboratory block in B. V. Hospital, Bahawalpur—Saving Rs. 36,471*—The explanation was found satisfactory and the item was dropped.

O—AGRICULTURE

15. *Constructing tehsil level Agriculture store at Haroonabad—Saving Rs. 20,234*—The explanation was found satisfactory and the item was dropped.

JAILS AND CONVIOT SETTLEMENTS

16. (a) *Constructing New Central Jail Building at Bahawalpur—Saving Rs. 69,409*—In this case work could not be completed because the site was not made available by the Department concerned, namely, the Home Department for the construction of the New Central Jail Building for Jail and convict settlement. This being so, the Communications and Works Department could not possibly complete the work. The Committee noted with regret that this was yet another case where an important work could not be undertaken because of the latches of the Home Department in selecting the site for the construction of the building. The item was dropped with the above remarks.

L—EDUCATION

(b) *Providing Middle School at Feroza District Bahawalpur upgraded to High School—Saving Rs. 28,400*—In this case the administrative approval was not received from the Education Department for up-grading a middle school to a high school at Feroza in the District of Bahawalpur as a result of which this important work for providing education to the children could not be undertaken during the year under examination. The administrative approval was received in 1963-64 for this work. Although the amount of money involved was small but the Committee conjectured the inconvenience and loss caused on account of this negligence of the Education Department for not providing the administrative approval at the proper time as a result of which this work could not be undertaken for about six years. So far as the Communications and Works Department is concerned, the explanation submitted by them was considered satisfactory. The Committee decided to refer to this item in the Report.

(c) *Providing School building in backward area of Bahawalpur—Saving Rs. 15,000*—In this case again a school building in the backward area of Bahawalpur, at a cost of Rs. 15,000 could not be undertaken because of administrative approval not being available from the Education Department. The administrative approval for this work was given in 1960. Thus this important nation building work, although entailing a small amount of expenditure, but still very important, could not be undertaken for several years because of the latches on the part of the Education Department in not providing administrative approval at the proper time. The Committee decided that so far as the Communication and Works Department was concerned, the explanation was considered satisfactory but the conduct of the Education Department in not providing administrative approval for this work at the proper time would be pointed out in the Report.

(d) *Constructing 5 additional class-rooms in High School Muzaffargarh—Saving Rs. 5,000*—The explanation was found satisfactory and the item was dropped.

(e) *Providing residential quarter in the college premises of Government College for Women at Montgomery—Saving Rs. 9,000*—This was an item relating to the provision of residential quarter in the College premises of Government College for Women at Montgomery. The amount involved was Rs. 9,000. The work could not be undertaken as the site was not handed over by the Education Department to the Communications and Works Department at the relevant time. This was also one of those cases where the work had suffered in the Department of Education, a nation building department, on account of the sites for works not being provided at the proper time. Same remarks as in the case of (c) above.

P—VETERINARY

(f) *Development of live stock activities on range at Cholistan—Saving Rs. 4,367*—The explanation was found satisfactory and the item was dropped.

R—INDUSTRIES

(g) *Development of sericulture Industry at Bahawalpur—Saving Rs. 2,000*—The explanation was found satisfactory and the item was dropped.

O—AGRICULTURE

17. *Constructing Stores—*

- (a) Constructing store at Sadiqabad—Saving Rs. 27,984.
- (b) Constructing store at Khanpur—Saving Rs. 27,991.

- (c) Constructing one class II Bungalow, one Agriculture Assistant quarter at Khanpur. Saving Rs. 20,000.
- (d) Construction of District level Agriculture store at Bahawalpur. Saving Rs. 20,678.
- (e) Constructing District level Agriculture store at Bahawalpur. Saving Rs. 30,000.

These items refer to work to be done for the Agriculture Department in Bahawalpur Region. All these works which could not be undertaken on account of the non-delivery of the sites to the Communications and Works Department by the Agriculture Department were nation-building works which were conducive to the preservation of agricultural products. Reasons as to why the Agricultural Department could not deliver these sites to the Communications and Works Department were not forthcoming. From the records produced before the Committee and from the assistance provided by the Communications and Works Department it was apparent that the sponsoring Department, namely, the Agriculture Department, took no interest in these works whatsoever by way of writing to the Communications and Works Department as to why and how these sites could not be made available to the Communications and Works Department. This by itself, if not the fact, of not finding out the sites, amounted to an act of laches on the part of the Agriculture Department. The Committee decided that the explanation of the Communications and Works Department was satisfactory but this item should also be included in the Report.

I.—EDUCATION

18. (a) *Constructing Workshop building in Government High School to give technical bias to Education in Government High School Multan—Saving Rs. 21,825.*
- (b) *Constructing Fibre testing (Cotton) Laboratory (Technology) at Multan—Saving Rs. 15,292*—These items related to the building of a Workshop in Government High School to give technical bias to Education in Government High School Multan and construction of Fibre Testing (Cotton) Laboratory (Technology) at Multan. These two works, amongst other reasons, could not be undertaken for want of administrative approval from the Education Department. These again were nation-building works although the amount involved in the case of (a) was Rs. 21,825 and in the case of (b) Rs. 15,292. The Committee noted with regret the tendency on the part of the sponsoring Department to completely forget their duty in respect of pursuing and trying to push through the works for which the legislature makes grant and decided to refer to this matter in the Report.
19. *Constructing Road from Bahawalpur to Fort Abbas Saving Rs. 85,573—Metalling and tarring Road from Chistian to Haroonabad—Saving Rs. 29,321—Metalling and Surfacing road from Bahawalpur to Yazman—Saving Rs. 15,946—Metalling and Surfacing road from Ahmadpur to Uch Mile 6 to 15/2—Saving Rs. 24,697—Widening Road. from D. N. Sahib to Sadiggarh Palace—Saving Rs. 9,177—Metalling and tarring Military Road 10/4 to 22/4—Saving Rs. 28,945—The explanation was found satisfactory and the item was dropped.*
20. *Construction of Quetta Fort Sandeman Road—Saving Rs. 7,65,000* Mr. Saeed Ahmad, Chief Engineer, Quetta produced certain documents from which it appeared that instead of there being a saving, there was an excess expenditure. This being so, this saving shown here possibly had been incorrectly placed, the attention of the Secretary of the Communications and Works Depart-

ment was drawn to the matter and he promised to look into it and to place it at the next meeting of the Committee as to where this saving was affected and to provide explanation for the same.

21. *Provision of Road-Making Machinery, Jeeps, Trucks etc.; in the Administration of Deputy Commissioner, Quetta—Saving Rs. 10,00,000*—In this case there was a saving of ten lacs as this amount could not be utilised. Mr. Saeed Ahmad Chief Engineer, Quetta, stated that machinery of the value of Rs. 7 lacs and 2 thousand was received during the financial year for which the order had been placed at the correct time and that the machinery of the value of the remaining Rs. 2,99,000 was not received during that year. The objection of the audit was that the Department should have debited this amount to the concerned Head so that on paper the amount should have been shown as utilised to the extent of Rs. 7,02,000 which occurred to them as a serious technical omission. The Committee felt that for the purpose of maintaining correct accounts it should be proper to debit expenditure immediately so that the accounts were kept up-to-date that had this been done in the present case the question of this saving would not have arisen. The Committee did not consider it necessary to go into the question of apportioning the responsibility for these latches; and considered it sufficient to make observations that in future the Department should be vigilant to make debits at the proper time so that there were no complications in accounting. The remaining saving was due to the non-receipt of the machinery during the year which was received next year. With these observations, the item was dropped.

S—CIVIL WORKS

22. *Constructing Public Works Department Office, Executive Engineers Residence and 2nd Class Public Works Department Rest House at Mianwali—Saving Rs. 9,760*—The explanation was found satisfactory and the item was dropped.

23. *Constructing Public Works Department Colony at Bhakkar—Saving Rs. 7,400*—The explanation was found satisfactory and the item was dropped.

24. *Constructing Maqsood Lora Road (Sec. Lora to Jabri)—Saving Rs. 60,014*—The saving was due to the fact that whereas the land was taken from the parties concerned but the money was not paid to them because the award was not announced during the currency of the financial year. The record did not show whether the money was subsequently paid and, if so, when it was paid. So far as the consideration of this item was concerned, the Committee considered that the saving could not be avoided and the item was dropped.

But the Committee took this opportunity to point out that there were a large number of cases where the property was acquired by Government from individuals for nation Building works. It was, however, of the utmost importance that the compensation was paid to the persons whose property was taken immediately and every care should be taken that the payment was not delayed. The Committee wished that the Secretaries of the Departments concerned, as also the Chief Engineers and all those who were responsible for acquiring the land and making the payments, to make a note of this fact so that payments were made by them without avoidable delay.

25. *Constructing bridge across Jindi Nulla in mile 11 of Charsadda Tangi Road—Saving Rs. 29,623*,—The explanation was found satisfactory and the item was dropped.

26. *Constructing Karak Kabir Killi Nari Adal Khel Road—Saving Rs. 13,230*—The item was dropped subject to the same remarks as in respect of item No. 14 above.

27. *Soling metalling and tarring Hamza Khan Jamal Garhi Road.—Saving Rs. 14,000*—The explanation was found satisfactory and the item was dropped.

28. *Constructing metalled road from Moch to Junction of Mianwali Road—Saving Rs. 11,197*—The explanation was not sufficient. It appeared that explanation had been called for from the Sub-Divisional Officer concerned. The Department should take suitable action against the officer concerned and report the same to the Audit. With these observations the item was dropped.

29. *Construction of Piplian Harnooli Road—Saving Rs. 14,659*.

30. *Construction of Road for Rehabilitation of refugees in Thal Area—Saving Rs. 13,437*—The explanation was not satisfactory. The Department was unable to produce any documents in support of its contention. It should take up this matter with the Audit who should pursue it.

31. *Constructing of Dadar Bhogramong Sacha Batal Road—Saving Rs. 4,612*—The explanation was found satisfactory and the item was dropped.

32. The remaining Saving under Head "81—Capital-Account" by and large related to national building works for which the Legislature granted necessary amount and intended that the moneys granted should be spent during the financial year. In most of these remaining cases the works were either not undertaken or were partially undertaken and executed with the result that the savings were affected and the reason for it was that the sponsoring Department failed to take interest that they should take in their own works; in many cases they failed to provide sites; in other cases they failed to send the administrative approval or sent the administrative approval very late with the result that the works suffered and savings affected. According to Secretary, Communication and Works Department and Chief Engineers, the sponsoring Departments did not take any interest in the works by way of writing to the Communications and Works Department for completing the works so that the amount budgeted could be spent during the year. The Committee regretted to note the total lack of interest on the part of the sponsoring Departments for purposes of nourishing their own babies entrusted to the care of the Communications and Works Department. The Committee considered this a very regrettable situation. The Committee drew the attention of the sponsoring Departments to their statutory liability to take care of their own works and to see that so far as their own Department were concerned, no efforts were spared and every pain was taken so that the intention of the Legislature to affect developments in the Departments by way of construction was given full effect. The Committee found itself tied up in knots in trying to assess the responsibility regarding non-expenditure on these items of works. As the Committee made these observations in *absentia* it pointed out that there might be some cases where there would be some justification, and even good justification, that they were unable to provide sites or to send administrative approval in time. But by and large, the position that had emerged was that there had been an inherent and pervading neglect on the part of the sponsoring Departments to pursue their own works. Most of these works pertained to the Agriculture and Education Departments both of which Departments were essentially nation building Departments. With these observations the Committee did not take up the remaining items with regard to the said saving separately as these observations would apply to all those items.

30-7-64

V. Page 7, para 9 read with page 165 Grant No. 29—Civil Works Head 50—*Civil Works (Charged)—Excess Rs. 2,42,685*—The Director of Audit and Accounts (Works) pointed out that under the Allowances and Privileges (Governors) Order, 1952, G. G. O. No. 7, dated the 26th July, 1952, it has been prescribed in para 7(b) thereof read with Schedule V thereto that a maximum sum of Rs. 2,15,500 shall be provided for the improvement and maintenance of official residences of the Governor s of Punjab, Sind and N. W. F. P., which, after Integration would mean, for the improvement and maintenance of the official residence of the Governor of West Pakistan; that a grant of Rs. 2,50,900, instead of 2,15,500, was made and a sum of Rs. 4,92,985 was actually spent that is to say, a sum of Rs. 2,42,685 has been spent in excess of the modified

grant and a sum of Rs. 2,77,485 had been spent in excess of the limit fixed under the said Order. The implications were that the modified grant was in excess of the maximum limit provided by the said Order to the tune of Rs. 34,800 and the amount actually spent in excess of the limit prescribed in the Order was to the tune of Rs. 2,77,485 as stated above. The Committee was satisfied with the explanation given by the Communications and Works Department as this excess of expenditure obviously was necessitated by works which were considered necessary to be done under the circumstances and for the considerations stated in the explanation. The Committee however observed that as the irregularity was obvious and quite patent it should be regularised by obtaining the Orders of the President, who was the proper authority to raise limit.

VI. Page 7, para 7—Grant No. 29—Civil Works—Head—50—Civil Works (Voted) Excess Rs. 1,98,79,428—(I) Out of the total excess of Rs. 1,98,79,428 a sum of Rs. 1,90,371 was excess expenditure on Original Works (Building). This item had come up before the Committee at Karachi in April-May, 1964 when it was made to appear that the Communications and Works Department had not submitted any explanation worth while to the Audit Department to scrutinise and come to a conclusion regarding the regularity and propriety or otherwise of the above excess expenditure. Considering the fact that the amount involved was very large and it was necessary to have the sum scrutinized by the Audit the Communications and Works Department was given another opportunity to prepare their explanation and to submit it to the Committee through the Audit to be considered by the Committee at the next meeting. The Communications and Works Department submitted the following explanation to the Audit on the 16th July, 1964.

(I) *Original Work (Building) Rs. 1,90,371*—This head records expenditure of various National Buildings Department like Health, Education, Agriculture, etc. Following the establishment of West Pakistan Province, a number of offices came into existence. There were pressing demand of various departments requesting the Public Works Department to carry out various minor works for addition and alterations from time to time. There were also other demands of emergent nature coming from the Public Health Institutions like Hospital, T. B. Sanitorium to carry out changes in electric installation etc. in order to enable the functioning of newly installed apparatus, machinery in the building. Certain emergent works had also to be carried out to Public Offices like Secretariat to provide additional office accommodation for the staff. Also various additions and alterations had to be carried out to residences to be provided by Government for the Ministers, Deputy Ministers, etc. Compared with the total grant of about Rs. 10·68 lacs provided for original work of all Department the excess expenditure is small. It may be pointed out that various Departments like General Administration, etc. who desired such emergent minor works to be carried out have to process such cases immediately to cover the increased expenditure. It seems that the various departments failed to process such cases in time before the submission of budget returns.

Mr. Rafiq Inayat, C. S. P., Secretary Communications and Works Department, stated that the explanation submitted was quite sufficient. The Committee could not agree with him. The Committee considered that the explanation submitted was devoid of all particulars and was a bald statement of generalizations without giving particulars of the works and the amount spent on them and the reason in each case for excess expenditure; that expenditure could be justified on the ground of the Department being made to spend under stress of circumstances over which it had no control to secure a result which could not otherwise be obtained; that no such circumstances had been pointed out to the Committee. The Committee made it clear to the Secretary Communications and Works that the Department was in the first instance required to submit its explanation to the Audit to scrutinize the same and if the Audit were

satisfied with the explanation the matter would not come up before the Committee ; that the matter should come before the Committee only if the Audit Department was not satisfied with the explanation. The Committee found that the Department had, in fact, given no explanation whatsoever to the Audit to apply its mind to the question whether the excess expenditure was rightly or wrongly spent and whether it was justifiable. The Committee observed that this was a very extreme case in which inspite of giving an opportunity to the Department, the Department had failed to avail of the opportunity and had, in place of offering an explanation, produced generalizations which could hardly be called explanation.

The Committee considered the so-called explanation to be wholly unsatisfactory and felt that the valuable time of the Committee had been wasted both at Karachi and at Lahore on account of the failure of the Communications and Works Department to give the explanation and to realize its duty towards the Committee. In the circumstances, the Committee decided to refer this case in the final report. In the mean-time, the Committee called upon the Department to submit explanation to the Audit so that the matter be considered by the Committee alongwith the accounts for the next year.

(2) Under Head 'Repairs Buildings' a sum of Rs. 67,79,600 was granted in the budget. The expenditure, however, was Rs. 81,21,922 and thereby there was excess expenditure of Rs. 13,42,322. The Secretary Communications and Works Department informed the Committee that the procedure for these grants was that each Regional Chief Engineer presented a lump sum demand on the basis of a certain percentage, approximately about $1\frac{1}{2}$ per cent of book value of all the public buildings in his area for which he was carrying on the repairs works; that all the demands from various Chief Engineers were totalled and then they were sent up to the Finance Department which allowed only a part of the demand worked up on that basis ; that a large number of these buildings which needed repairs, were old buildings ; that while the work of repairs of such buildings was extensive, the amount worked up on the basis of $1\frac{1}{2}$ per cent came to be less than what was required to do even such necessary repairs as might keep the building going. The explanation which was submitted to the Committee and which formed part of the working paper made out other grounds which were mostly generalizations and bald statements like what given under the previous 'head—Original Works.' The Committee was inclined to reject these explanations on the same score as the Committee had rejected the so-called explanations under the previous head. The Committee strongly felt that the explanations of the Departments have got to go to the Audit who have to scrutinise the same and then they have to come up before the Committee for examination, if necessary. This is what was required by the rules and this was the only way in which the work of the Committee could be carried on because the Committee could not possibly be expected to do the original work of taking up the records and finding out the correct position and doing all the rest which was supposed to be done by the Audit. In this case, however, the Committee found that the Communications and Works Department, the Finance Department, as also the Audit Department agree with the method by which the grant for repairs was made. That being so, the Committee felt that there might be enough justification for excess expenditure under this head, taking into consideration the fact that when the work was actually carried out on the spot and if the building was found in such a tottering condition that if sufficient work was not done on it, it might collapse, it remains the duty of the Works Department to carry out the work in the interest of the nation and the Province. The Committee therefore accepted the explanation and dropped the item.

The Committee, however, again observed that the Communications and Works Department should always come out with details as far as possible where excesses have been done. The Committee quite visualised that even under this

head if the Communication and Works Department was more cautious it would have been able to give at least a few dozen specimen cases where Circumstances of those buildings could have justified more expenditure on those buildings by way of repairs than what was warranted by writing down the book value and the amount granted on that basis for repairs of the same. By taking the Committee into generalisation, the Committee was practically put into a position of either rejecting or accepting the irregularity without all the facts being sifted brought before it through the Audit.

Mr. Rafiq Inayat, Secretary, Communications and Works Department, pointed out that his statement that the repair estimates were prepared on the basis of 1½ per cent of the book value of the buildings, was approximate and was based on the practice prevailing in the Department.

(3) Under the head Repair Communication a sum of Rs. 1,82,71,000 was granted for the repairs communication. The expenditure incurred was Rs. 2,27,84,586, i.e. there was an excess expenditure of Rs. 45,13,586. The first point made out by way of explanation was that "the West Pakistan Province had inherited a huge additional mileage of non-strategic roads in ex-Baluchistan Province, namely, 504 miles of black top roads, 1610 miles of shingle road and 185 miles of katcha roads. The Central and Provincial Government had not arrived at any decision regarding the provision of funds for maintenance of these roads." After-wards another, point, with respect to roads in Bahawalpur was made by Mr. Rafiq Inayat, Secretary Communications and Works, Supplemented it by making a statement to the effect that the amount granted in budget did not provide for the maintenance of these roads and that the Department had maintained these roads thereby resulting in an excess in expenditure. This was a statement of facts. As observed by the Committee in the previous paragraphs, these facts should have gone to the Audit who could have checked it whether estimates for repairs to these works had been furnished to the Finance Department and whether the cost of repairs to these roads was included in the budget grant or not. At this stage it was not possible for the Committee to do this original work. The Department should furnish the detailed explanation regarding these roads to the Audit for scrutiny and then place it before the Committee alongwith the accounts for the next year.

The rest of the explanation submitted by the Communications and Works Department under this item was based on the proposition that they had asked for a sum of Rs. 3,21,65,000 and they were granted Rs. 1,82,71,000, and, therefore, their case was that they were forced to incur excess expenditure. The Committee observed that this argument, without providing the details of the work, the necessity and stress under each work where there was excess expenditure, was of no value.

(5) A sum of Rs. 1,38,33,149 was shown as excess expenditure under head Suspense Account but the details of this account, region-wise were not furnished to the Audit as a result of which it could not be the subject of Audit scrutiny. The explanation that was furnished to the Committee was bald and devoid of particulars and the Committee was not satisfied with it. Mr. S. M. Nasim, Additional Finance Secretary, stated that he would look into it and have it verified in consultation with the Audit. In passing the Committee could only observe that the hanging on of such large amounts of money in suspense account was extremely undesirable.

VII. The Committee decided that the remaining items of the Communications and Works Department will be considered in the meetings to be held at Lahore on 10th and 11th August, 1964.

S. M. SOHAIL
Chairman.

Standing Committee on Public Accounts.

**PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE ON
PUBLIC ACCOUNTS HELD ON 29TH JULY, 1964 AT 9.00 A. M.
31ST JULY, 1964 AT 5.30 P. M. AND 1ST AUGUST, 1964 AT 9.00 A. M.
IN THE TEA ROOM OF THE ASSEMBLY BUILDING, LAHORE.**

I. The following were present :—

- | | |
|---|---------------------------------|
| (1) Mr. S. M. Sohail, M. P. A. | .. Chairman. |
| (2) Khan Ata Hussain Khan, M. P. A... | Member. |
| (3) Sardar Ahmed Ali, M. P. A. | .. Member. |
| (4) Mr. Ghulam Muhammad Shah, M. P. A. | .. Member. |
| (5) Chaudhri Muhammad Iqbal, Secretary, Provincial Assembly of West Pakistan | .. <i>Ex-officio Secretary.</i> |
| (6) Mr. S. M. Nasim, C. S. P., Additional Finance Secretary | .. <i>Expert Adviser.</i> |
| (7) Mr. Riazul Hasan, P. A. & A. S., Director Audit & Accounts (Works) | .. <i>By invitation.</i> |
| (8) Mr. A. R. Kazi, Secretary, Irrigation and Power Department along with Regional Heads of Department under Irrigation and Power Department and | |
| Mr. N. H. Jaffery, Member, (Finance) WAPDA along with Operational Manager Electricity, WAPDA, were also present. | |
| (9) Mr. Anwar Adil, C. S. P., Secretary, Home and Mr. Inayat Rafiq, C. S. P., Secretary, Communications and Works, were present on 1st August 1964. | |

II. The Committee proceeded to examine the explanations submitted by Head of Department of the Irrigation and Power Department, explaining difference between figures of (i) final grant or appropriation and (ii) actual expenditure as disclosed by the Appropriation Accounts for the year 1957-58.

1. Page 5, para 5 of the Appropriation Accounts-item No. 7 Grant No. 12 Irrigation-Capital :—

The final grant was Rs.	.. 24,70,79,210.
The expenditure was Rs.	.. 14,65,79,189.
Saving was Rs.	.. 10,05,00,021.
Percentage of saving was Rs.	.. 40.68.

(1) In this case the final grant was Rs. 24,70,79,210 out of which a sum of Rs. 8,69,11,430 was surrendered by the Department and thus it was claimed that the grant was reduced to Rs. 16,01,67,780.

(2) At this stage a point was raised by Mr. S. M. Nasim, Additional Finance Secretary, that (on reading the rules governing the jurisdiction of the Standing Committee on Public Accounts) normally the Committee had no jurisdiction to go into these questions or ask for explanations regarding such surrenders.

(3) Mr. A. R. Kazi, Secretary, Irrigation and Power pointed out that taking into consideration the proceedings of the Standing Committee on Public

Accounts dated 16th December, 1957 the Department was not required to submit the explanation for the surrendered amount as it was not required to be brought forth in the Appropriation Accounts. The observations of that Committee were :—

"The Committee considered the Memorandum of the Accountant-General, West Pakistan, and agreed to his proposal contained therein, viz., the explanatory notes for the modification of the original provision at present exhibited in column 1 of the Appropriation Accounts should be omitted in future."

(4) Mr. A. R. Kazi, Secretary, Irrigation and Power further pointed out that Irrigation and Power Department had given the reasons for this surrender to the Finance Department and the Finance Department had forwarded the same to the Audit and therefore, the requirements had been met.

(5) Regarding the jurisdiction of the Standing Committee on Public Accounts in such matters, the National Assembly of Pakistan Rules of Procedure as adopted for regulating the procedure of the Provincial Assembly of West Pakistan, the Rules of Procedure of the former Punjab Legislative Assembly and the Rules of Procedure of the West Pakistan Assembly under the 1956 Constitution were examined. It was found that the rules regarding the jurisdiction of the Public Accounts Committee in all these rules were identical. The proceedings of the Public Accounts Committee in respect of Appropriation Accounts of the Provincial Government for the year 1939-40, 1941-42 were also examined. It was found that the Public Accounts Committee had been considering this question and a large number of paragraphs in the proceedings of the Public Accounts Committee for these years were on this question. The then Committee considered this question, asked for explanations, and reasons leading to the surrender were furnished to the then Committee. The relevant paragraphs on pages 19—27 of the Report of the Public Accounts Committee in respect of Appropriation Accounts for 1939-40 are reproduced below :—

"GRANT NO. 1—LAND REVENUE

Rs.

Reappropriation	—9,860
Saving	—5,452

The Committee desired that the details which lead to the surrender of Rs. 9,860 and the saving of Rs. 5,452 should be furnished.

Rs.

Reappropriation	—22,174
--------------------	----	---------

The Committee wished to know detailed reasons for the surrender particularly the names of the districts mentioned in the note relating to column 1 of the Appropriation Accounts.

Rs.

—4,922

The Committee desired to know detailed reasons for not surrendering the amount in the Second Statement of Excesses and Surrenders".

"GRANT NO. 5—REGISTRATION

Rs.

Reappropriation	—10,760
Saving	—2,221

The Committee desired detailed information relating to the surrender and savings".

"GRANT NO. 7—IRRIGATION (WORKS)"

Rs.
Re-appropriation —48,540
Saving — 3,250

The Committee desired that more detailed information should be furnished for the surrender and the saving.

Rs.
Reappropriation —73,970

The Committee wished to know detailed reasons for this surrender.

Rs.
Reappropriation —61,030

The Committee wished to know detailed reasons for this surrender.

Rs.
Reappropriation —63,710

The Committee wised to know detailed reasons for this surrender.

Rs.
Reappropriation —2,300

The Committee wished to know detailed reasons for this surrender.

Rs.
Reappropriation —4,410

The Committee desired to know detailed reasons for this surrender."

"GRANT NO. 8—CHARGES ON IRRIGATION ESTABLISHMENT"

Rs.
Reappropriation —22,644
Saving —24,660

The Committee desired to have a detailed explanation for the necessity for reappropriation, when the saving amounted to Rs. 24,660."

"GRANT NO. 9—IrrIGATION—CAPITAL"

Rs.
+5,314

The Committee desired to know the reasons for excessive surrender when ultimately an excess occurred.

Rs.
—97,293

The Committee wished to know why there was a reappropriation of Rs. 77,000 when a saving of Rs. 97,293 resulted ultimately".

"GRANT NO. 10—GENERAL ADMINISTRATION"

In connection with reappropriations and savings, the Committee desired that a statement should be prepared showing the tours of the Honourable Ministers and Parliamentary Secretaries, both within and outside the province during the year 1939-40."

Rs.
—9,164

In connection with note 3 on page 96, the Committee desired to know the reasons for not surrendering the saving when the factors responsible for them came to notice in August, November and December, 1939."

"GRANT No. 18—PUBLIC HEALTH"

Rs.

Reappropriation	1,32,400
-----------------------	----------

The Committee desired to have a detailed explanation giving reasons why these special water-supply schemes were not ready for execution".

"GRANT No. 19—AGRICULTURE

Rs.

Reappropriation	45,730
-----------------------	--------

The Committee wished to know the reasons for starting the work late".

"GRANT No. 24—CIVIL WORKS

Rs.

Reappropriation	2,29,828
-----------------------	----------

Saving	49,962
--------------	--------

The Committee desired to know the reasons for—

- (a) this heavy surrender; and
- (b) the non-payment of land compensation.

General.

The Accountant-General brought to notice that there are heavy savings under this grant every year. He produced the following figures :—

Rs.

1936-37	6,66,049	}
1937-38	11,34,117	
1938-39	17,49,735	
1939-40	9,49,451	

The Committee desired that the Head of the Department should be called upon to explain why the budget estimate cannot be framed more accurately.

Similar explanation were called for by the Public Accounts Committee while examining the Appropriation Accounts for the year 1941-42. This being so, it appeared to the Committee that the correct interpretation of the rules (taking into consideration past practice followed by the Public Accounts Committee) is that the Standing Committee on Public Accounts has and should have jurisdiction to consider this question and ask for an explanation regarding thereto.

This view of the Committee finds support in Para 15.19 of the Punjab Budget Manual which reads as follows :—

"The Committee is entitled to offer criticisms and recommendations upon any matter discussed in the Appropriation Accounts and in the Auditor General's comments thereon, whether such matter concerns the accounts of expenditure voted or charged or those of receipts. It has, however, no jurisdiction over matters relating to the salary and allowances of the Governor and other expenditure relating to his office for which provision is required to be made by Order of the Governor-General,

The Committee is not an executive body. It has no power, even after the most minute examination and on the clearest evidence to disallow any item or to issue any order. It can only call attention to any irregularity or failure to deal with it adequately and express its opinion thereon and record its findings and recommendations."

Another passage occurring in the same book at page 127 is as follow :—

"In regard to surrenders Heads of Department should note that where they give a reasonable explanation to the Accountant-General regarding such surrenders accepted by the Finance Departments for incorporation in the Appropriation Accounts, the Standing Committee on Public Accounts will not normally ask for a further explanation. On the other hand if a Head of a Department has not shown a surrender and his expenditure is less than its appropriation to a considerable extent the Standing Committee on Public Accounts will invariably call for a detailed explanation of the lack of budgeting control."

(6) As far the point raised by Mr. A. R. Kazi, Secretary Irrigation and Power, that in view of the Public Accounts Committee decision referred to above it was not necessary for the Department to furnish the explanation to the Audit so long as the Standing Committee on Public Accounts does not change its decision regarding future workings, the Committee inclined to agree with Mr. A. R. Kazi, Secretary, Irrigation and Power, for the reasons that the explanations to be submitted by the Departments are for the scrutiny of the Audit, so that if they consider it sufficient they need not include them in the Appropriation Accounts Reports and if, on the contrary, they find it insufficient they are to include them in the report for the examination of the Standing Committee on Public Accounts. But if the decision of the Standing Committee on Public Accounts is that in view of the matter these figures are not to be included in the report and thereby not brought before the Standing Committee on Public Accounts for consideration, it would be a waste of time to unnecessarily submit that explanation for the consideration of the Audit. The Committee however observed that as against that argument, which was based on previous decision of the Public Accounts Committee, there was a formidable argument based on the rules that the rules require that in all cases of surrender, the department concerned is to furnish explanations to the Audit for their examination. If the Audit is satisfied with that explanation then it has to drop the matter there and if the Audit is not satisfied with it then the Audit has to bring it to the Standing Committee on Public Accounts for their attention and examination to be included in the report of the Committee thereby enabling Legislature to exercise its control over it.

The Committee decided that the correct procedure consistent with the rules, as also with a satisfactory working to ensure proper examination and scrutiny of the reasons for the surrender of amounts granted by the Legislature to the Departments is that the healthy rule obtaining so far that they should be included in the Appropriation Accounts in future should be followed.

As far the year under consideration, the Committee felt that there was a considerable force in the argument of Mr. A. R. Kazi, Secretary, Irrigation and Power, that being under the impression that these explanations were not to be submitted on the basis of the Public Accounts Committee decision referred to above, the Department did not furnish them till now, although they had been supplied to the Finance Department and in a way forwarded to the Audit. As the Committee wished to close examination of the Accounts under consideration and has no more time for re-opening the whole matter it decided to drop the item with the observation that the Department concerned should submit the explanation to the Audit for their scrutiny and the Audit might include this item in the Appropriation Accounts for the year 1964-65, if it considered it worth while.

2. *Page 5, para 5 of the Appropriation Accounts—item No. 21 Grant No. 34 Electricity Schemes—Capital Expenditure—Rs.*

The Final Grant was 5,30,39,610
The expenditure was 3,83,70,276
Saving was 1,46,69,334
Percentage of saving was 27.66

(1) *Saving of Rs. 22,28,526 due to non-receipt of material from abroad through the D.G.S. & D., during the course of 1957-58*—The explanation was found satisfactory and the item was dropped.

(2) *Saving of Rs. 21,84,000 on the Scheme regarding Hyderabad electricity supply undertaking*—The explanation was found satisfactory and the item was dropped.

(3) *Saving of Rs. 30,00,000 on the Scheme regarding Lower Sind Thermal Grid Station*—The explanation was found satisfactory and the item was dropped.

(4) *Saving of Rs. 43,43,105 on the Scheme regarding providing 2×3000 K.W. sets at Montgomery*—The Committee decided that the irregularity under this item was purely of a technical accounting nature and the WAPDA should clear it up with the Audit as early as possible. With these observations the item was dropped.

(5) *Saving of Rs. 22,87,271 on the Scheme regarding 6,000 generating sets at Lyallpur*—The explanation was found satisfactory and the item was dropped.

(6) *Saving of Rs. 6,06,500 due to non-payment to contractor against work for Satellite Town*—The Department contended that as there was a dispute, the final bill was not prepared and the matter was being inquired into. The Audit Department pointed out to rule 138 of the Account Code, Volume III, First Edition, page 40, which is as follows:—

“If a contractor delays receiving payment for more than one month after his final bill has been passed, the account of the work as passed on the bill should be incorporated in the Works Abstract on the authority of the bill and the balance due to him should be removed from the accounts of the work by credit to the head “Public Works Deposits” to be dealt with thereafter under the rules of Government.”

The Committee drew the attention of the Department to this healthy rule of practice for future observance. As the work had been done and the dispute was being taken care of the Committee decided to drop the item.

3. *Page 7, para 8 of the Appropriation Accounts-item No. 6 Grant No. 31—Electricity Schemes-Working Expenses—Rs.*

The Final grant was 3,75,10,510
The expenditure was 3,86,88,526
Excess was 11,78,016

(1) *Excess of Rs. 2,04,000 due to un-expected damage to the transformer at Gujrat*—In this case a transformer was burnt out and the cost of replacing this transformer by another transformer is said to be Rs. 2,04,000. The Audit raised three objections namely:—

(i) The loss should have been reported to the Audit under the rules.

(ii) The time when this transfarmer was burnt out should have been given and it should have been explained whether there was time to approach the Government for a supplementary grant.

(iii) It should have been indicated as to what action was taken against the person who was responsible for this loss.

The first two objections were dropped by the Committee as these were raised at this stage when the Department was not in a position to answer them. The Committee also had no time to give further time to the Department to enter into these explanations. As for the third objection, the Committee examined Mr. A. Rizvi, Operational Manager, Electricity, WAPDA. The question put to him and his answers are reproduced below:—

Question—When was this transformer burnt out?

Answer—In 1957-58.

Question—Will you please give the month?

Answer—I cannot give the month.

Question—Who held the enquiry regarding this transformer being burnt out?

Answer—The Additional Chief Engineer appointed a committee to find out the reasons.

Question—Can you give the details?

Answer—The file is with the screening committee and therefore, I cannot give the details.

Question—Who was the person responsible for this?

Answer—As far as I know Mr. Hafizur Rehman, Executive Engineer, was given a warning. Beyond that the report itself will show.

Question—What was the actual loss to the Government on account of this transformer being burnt out?

Answer—I do not know.

Question—What attempt did you make to collect these facts before coming to the Public Accounts Committee?

Answer—I did not anticipate that these questions will be asked and, therefore, made no attempts.

Question—You are the officer responsible for having all this information in the WAPDA?

Answer—Yes, Sir.

Question—Do you know whether the transformer, which was burnt out, was rendered completely useless or was it repaired?

Answer—I do not know at present but I will find out this.

Question—You have been telling us that this transformer was partly burnt and that it was repaired at a cost of Rs. 50,000. What do you say about it?

Answer—I estimated that the cost of the burnt out transformer is Rs. 30,000 and therefore, I presumed that this transformer must have been repaired at a cost of Rs. 50,000. (Again said) The cost may be about Rs. 60,000.

Question—Have you seen this particular transformer?

Answer—No.

The Committee came to the conclusion that the Operational Manager had come before the Committee quite unprepared thereby wasting the time of the Committee; that he made an attempt to withhold information and the Committee could elicit information from him only after subjecting him to cross-examination by interrogation. The Committee observed that it was extremely undesirable that officers should have this attitude when they come up to Committee for giving advice and assistance to the Committee in discharging its onerous duty of scrutinising the accounts of different Departments. The

Committee found that in this case the only punishment that was given out was a warning to the Executive Engineer and the Operational Manager, although he is the Head of the Department, did not know as to what was the actual loss to the Department concerned on this account. The Committee considered the explanation wholly unsatisfactory and decided to refer this matter to the Assembly for such action as it might deem fit.

At this stage the officer stated that he would collect the information by 31st July, 1964 and produce it before the Committee in its meeting on 31st July 1964 at 6.30 p. m.

On 31st July 1964 Mr. Jaffary, who appeared for WAPDA, informed the Committee that they looked into the relevant file from which it appeared that the information supplied to the Committee earlier during the examination of Mr. Rizvi was wrong in as much as Mr. Hafizur Rehman was not given any punishment or warning whatsoever in connection with this matter. Whatever punishment or warning administered to him was in connection with some other case. The Committee observed that the Committee had a similar impression, while examining Mr. Rizvi and therefore felt that he had come altogether unprepared and was just shooting out answers without knowing what he was talking about. The Committee took a very serious view of this matter but considering the fact that efforts were made by Mr. Jaffery to find out the whole truth and which he had placed before the Committee, the Committee did not wish to push the matter further, more so because of the reason that it was not possible now to ascertain as to who was at fault and to fix the responsibility thereafter. The Committee drew the attention of the WAPDA authorities to the irresponsible statement made by Mr. Rizvi before the Committee and recommended for such action against him as the WAPDA considered necessary. With these observations the item was dropped.

(2) *Excess of Rs. 10,427 due to unexpected expenditure at Renala Khurd*—The explanation was found satisfactory and the item was dropped.

(3) *Excess of Rs. 34,289 on account of unavoidable expenditure under A (3) Rasul-LD-System*—The explanation was found satisfactory and the item was dropped.

(4) *Excess of Rs. 7,57,580 on the Thermal Generating Set at Lyallpur*—The explanation was found satisfactory and the item was dropped.

(5) *Excess of Rs. 1,74,220 on account of overhauling of Generating Sets*—The explanation was found satisfactory and the item was dropped.

4. Page 12 para 17 (a) (i)—

Expenditure on works in anticipation of technical sanction to estimates—(1) Works to the tune of Rs. 6,59,05,658 had been executed in anticipation of technical sanction to the estimates in some cases and in the absence of budget provision in other cases. This money was spent on as many as about 13,000 cases. The Department pointed out that up to the present time there were, apart from the cases which were relevant to this expenditure about 13,610 cases involving Rs. 38,86,31,559 and that they had within three months, upto 31st May 1964, cleared 8990 and 4628 remained to be cleared. These 4628 cases take care of Rs. 17,77,89,194.

(2) The Committee felt that these figures were colossal and observed that it was of the utmost importance that the cases were regularised and technically cleared. Mr. A. R. Kazi, Secretary, Irrigation and Power Department, assured that he would continue his efforts to clear them with the utmost expedition and he hoped that by the time the Committee considered the accounts for 1958-59, a major part of this lag would be cleared. The Committee observed that the Department was really making a very great effort to clear these outstanding cases of irregularity and dropped the item.

(3) While considering this paragraph the attention of the Committee was drawn by Mr. S. M. Nasim, Additional Finance Secretary, to the fact that in the last meeting, the Committee decided to call for names, as a sample from each category of delinquents in this respect. He was of the view that the Committee need not be concerned with the names that it could more profitably concentrate on the principles and the facts that those who are responsible for the lapses were properly dealt with by the Department concerned. The Committee agreed with this view. The Committee, however, desired that Government should take necessary disciplinary action against those who were found responsible for such lapses and for which there was no suitable and proper explanation and the number of such persons and the type of punishment given to them should be reported by the Department to the Committee when it considers Accounts for the year 1958-59. Secretary, Irrigation and Power assured the Committee that he would be taking suitable action; that in some cases he had already taken action and in other cases explanations had been asked for.

5. *Page 12-13, para 17 (1) (3).*

Expenditure on works in anticipation of technical sanction.—The explanation was found satisfactory and the item was dropped.

6. *Page 25 item No. 17 (18).*

Excess payment of Rs. 74,691 in Malakand Division Public Works Department Malakand.—In this case a portion of the work of excavation for road formation requiring blasting was given out to a Contractor at the rate of Rs. 112/8/0 per thousand cft. While another portion of same work was allowed to another Contractor at Rs. 171 per thousand cft. Payment at the excessive rate of Rs. 58/8/0 per thousand cft. of earth work made to the latter resulted in an excess expenditure to the extent of Rs. 74,691.

In its meeting held at Karachi, the Committee decided to examine the Home Secretary. The Secretary, Irrigation and Power, pointed out that intimation had been sent to the Home Secretary to appear for his examination. As the Home Secretary was neither present nor any intimation was received from him as to why he was not present, the Committee felt that valuable time had been wasted on this account as the Committee could not proceed with this matter any further. The Committee decided that a D. O. letter be issued by the Secretary of the Committee to the Home Secretary asking the latter to attend the meeting of the committee on 31st July 1964 at 4-30 p. m. for his examination. The Committee further decided that a similar letter should be issued to the Secretary, Communications and Work, to attend alongwith Chief Engineer concerned for examination on this question on the same date and time.

This matter was considered by the Committee on 1st August 1964 when Mr. Envir Adil, C. S. P., Home Secretary and Mr. Inayat Rafique, C. S. P., Secretary, Communications and Works Department, were present.

The Home Secretary stated that the consideration which led to the Contractor being given at a higher rate were political. On this statement the attention of the Committee was drawn to letter No. 9 (153-F-47), dated the 2nd April, 1949 from the Secretary to the Government of Pakistan, Ministry of State and Frontier Region to the Chief Secretary to the Government of N. W. F. P. which contained prohibition for giving higher rate on political reasons. This letter further provided that in case where the Contractor does not undertake the work at the rates offered, the sanctioning authority is at liberty to put the contract to open tenders or take such action as considered to be in the best interest of the Government. It was pointed out that the Dir Contractor had made an application for higher rates, namely, 140 per cent above the scheduled which was recommended by the Political Agent and the Chief Engineer had acted on that recommendation while giving the contract.

Secretary Home drew the attention of the Committee towards situation prevailing in the area, the necessity of having roads, the difficulty in constructing roads, the difficulty of employing contractors and the inevitability of having to appoint the Rulers of the State of Dir and Chitral as the Contractors for the completion of these works. In this context, the Committee felt that there was a certain irregularity in granting a higher rate to the Contractor but did not consider any further action necessary and the item was dropped.

7. Page 25, para 17 (18) (4)—

Non-recovery of excess payment to the extent of Rs. 756.

The explanation was found satisfactory and the item was dropped.

8. Page 25, para 17 (18) (6).

Excess payment to the extent of Rs. 1,570— The explanation was found satisfactory and the item was dropped.

9. Page 26, para 17 (19) (3).

Shortages of Stock to the extent worth Rs. 2,597— The explanation was found satisfactory and the item was dropped.

10. Page 26, para 17 (19) (4)

Shortage of Stock to the extent of Rs. 6,529— The explanation was found satisfactory and the item was dropped.

11. Page 26, para 17 (19) (6).

Shortages of Stock articles worth Rs. 15,787— The Committee decided that this item may be settled between the Audit and the Department concerned and dropped the item.

12. Page 26, para 17 (19) (6).

Shortages of Stock Material worth Rs. 3,280— The Committee decided that this item may be settled between the Audit and the department concerned and dropped the item.

13. Page 27, para 17 (20) (2) and (3).

Loss to Government— The Committee decided that the Audit should verify the recovery which is claimed by the Department to have been made and the Department should take action against the officer responsible and report it to the Audit. Subject to this the items were dropped.

14. Page 28, para. 17 (22) (2).

Embezzlement of stores and fraudulent payments— The Committee decided that the action taken against the Officer and the position about the recovery should be intimated to the Audit and the item brought forward when the Appropriation Accounts for 1958-59 are being considered.

15. Page 29, para 17 (25).

Loss due to Certain Stores having remained unaccounted for— It was pointed out that Mr. Masud who was to explain the whole position had gone abroad; that he sent a letter stating the efforts that he had made and the unavoidable position in which he was placed to go abroad, which was accepted by the Public Accounts Committee.

It was further pointed out that the relevant records had been discovered. The Committee decided that the Department concerned and the Audit people should amongst themselves, verify it. Subject to these observations the item was dropped.

16. Page 29, para. 17 (26) (1).

Non Recovery of Government dues— The Secretary Irrigation and Power stated that a sum of Rs. 28,000 was still due for which action was being taken under the West Pakistan Government Dues Recovery Ordinance, 1962. The Committee found that undoubtedly, there had been a lot of bungling in this matter

at all levels including the level of the then Minister who issued the orders of stay and which orders of stay remained in force long long after it had lost all value. The Secretary, Irrigation and Power stated that the Deputy Chief Engineer, who was time and again making recommendation in favour of the lessee, was out of the country and he was likely to return by the middle of August, 1964. The Committee desired to examine the Deputy Chief Engineer but as the Committee had to finalise the report for the year under consideration, it was decided that this item should come up before the Committee again along with the Accounts for the next year.

"The Secretary, Irrigation and Power Department stated that a sum of Rs. 36,900 had already been recovered as earnest money and a further sum of Rs. 97,117 has also been recovered and that landed property worth Rs. 1,18,100 of the sureties on behalf of the lessees was mortgaged to the Department and the Mortgage Deed was registered. The Committee decided that the total recoveries so far effected should be got verified by the Audit Department and the registered Deed produced to the Audit Department."

17. *Page 30, para 17 (29).*

Bogus issue of foodgrains—This item was dropped with the same remarks as in the case of para 17. (25).

18. *Page 14—31, para 17 (31).*

Uneconomical running of a power house—The item was dropped with the remarks that the Audit would pick it up with the Irrigation and Power Department.

19. *Page 57-58, para 18 (iii).*

Arrears in accounts documents and returns—Mr. N.H. Jaffery, Member, Finance, WAPDA informed the Committee that the number of these cases had been reduced from 468 to 126 and that the cell which was formed to finalise all these cases was working and it was expected that they would complete the work as early as possible. The Committee decided that the Audit should reconcile these cases. Subject to this the item was dropped.

20. *Page 59—61, para 18 (v).*

Public Works Offices—This item was dropped subject to the same remarks as in the preceding item.

21. *Page 57, para 18 (iii).*

Arrears in accounts, documents and returns—Secretary, Irrigation and Power, assured that action was being taken against those who were responsible for these latches and that names of 24 officers were reported to them and that they were going to take action against the Worst offenders. The Committee decided that a number of outstanding documents and returns might be reconciled with the Audit.

22. *Page 104, of the Appropriation Accounts item No. 4, Grant No. 12. Infringement of Financial Rules*—It was pointed out that this case had been regularised, and the person concerned had made good the payment drawn irregularly. It was further pointed out that the situation was brought about through circumstances and strain at a time when there was the question of integration of the Province and that this was not likely to re-occur. The Committee therefore decided to drop the item.

23. *Page 203, para 5—Irregular payment and temporary misappropriation of cash*—The explanation was considered satisfactory and the item was dropped.

S. M. SOHAIB,
CHAIRMAN,
Standing Committee on Public Accounts

PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE ON
 PUBLIC ACCOUNTS HELD AT 9.00 A.M. ON 30TH JULY, 1964 AND
 AT 9.00 A. M. ON 31ST JULY, 1964 IN THE TEA ROOM OF THE
 ASSEMBLY BUILDING, LAHORE.

I. The following were present :—

- (1) Mr. S. M. Sohail, M.P.A., (Chairman).
- (2) Khan Ate Husain Khan, M.P.A. (Member).
- (3) Sardar Ahmad Ali, M.P.A. (Member).
- (4) Mr. Ghulam Muhammad Shah, M.P.A. (Member).
- (5) Chaudhri Muhammad Iqbal, Secretary, Provincial Assembly of West Pakistan (Ex-officio Secretary).
- (6) Mr. S. M. Nasim, C.S.P. Additional Finance Secretary to Government of West Pakistan (Expert Adviser).
- (7) Mr. S. M. A. Sabzwari, P. A. and A. S. Accountant-General, West Pakistan, (By invitation).
- (8) Mr. S. M. Ikram, C.S.P., Member, Board of Revenue and Secretary to Government of West Pakistan, Auqaf Department.
- (9) Mr. Manzoor Elahi, C.S.P., Secretary to Government of West Pakistan, Education Department.
- (10) Mian Muhammad Shafi, Additional Secretary to Government, of West Pakistan, Planning and Development Department.
- (11) Mr. S. M. Hasan, C.S.P., Deputy Secretary, (G), Government of West Pakistan, Services and General Administration Department.
- (12) Khan Fazlu-Rahim Khan, T. Q. A., Joint Secretary (Agriculture).
- (13) Mr. S. S. Jan, C.S.P., Registrar, High Court of West Pakistan.
- (14) Mr. Arshad Ali, Additional Registrar, High Court of West Pakistan, Karachi Bench.

II. *Auqaf Department*—

Page 5, paragraph 5 read with page 145.

Grant No. 18—Scientific and Miscellaneous Departments.

Head—J—Ecclesiastical.

Saving Rs. 70,024.

The explanations were found to be satisfactory and the item was dropped.

III. *Planning and Development Department*—

Page 5, paragraph 5 read with page 231.

Grant No. 39—Miscellaneous.

Head—F—4—Other charges.

Saving Rs. 4,00,000.

The explanation was found to be satisfactory and the item was dropped.

IV. *Education Department*—

Page 5, paragraph 5 read with page 144.

Grant No. 18—Scientific and Miscellaneous.

Departments—I—Miscellaneous—I—2,

Libraries.

Saving Rs. 24,823.

In this item the position originally taken up by the Department was that there was a saving of Rs. 24,823 which was due to the fact that books meant for libraries in West Pakistan could not be purchased. Out of this amount it was stated that a sum of Rs. 16,333 related to the Hyderabad region and the remaining amount to the rest of West Pakistan. The contention of the Department was that actually the amount of money for Hyderabad was Rs. 2,244 and not Rs. 16,333 as contended earlier. The Committee decided that if this statement was verified and confirmed by the Comptroller of Southern Area, Karachi, the item should be treated as dropped. But in case the figure was not accepted by the Comptroller, the Accountant-General should take up the matter with the Education Department and bring the matter during the deliberations on the accounts for the next year. The Secretary Education, who appeared on behalf of the Department, was in full agreement with the Committee that the amounts earmarked for the purchase of books for libraries should have been utilised and best efforts made to utilise the amounts during the currency of the year in question.

2. *Page 37, paragraph (15) Misappropriation of cash*—Secretary, Education, pointed out that the Director who had awarded the punishment had retired, and the two officers who conducted the enquiry into the matter were screened out and the Headmaster had also retired. In this view of the matter the Committee did not consider any further action necessary and the item was dropped.

3. *Page 37, paragraph (16) Temporary embezzlement of Rs. 10,958*—Secretary, Education, stated that the Accountant who misappropriated the amount was still absconding, that the Principal of the College had since been screened out and a criminal case was registered against the Accountant. He conceded that the criminal proceedings should have been started earlier. Considering all the aspects of the matter and that the criminal proceedings had been started which would take their due course, the item was dropped.

4. *Page 37, paragraph (17) Excess payments*—The Committee considered the explanation to be satisfactory and the matter was dropped.

5. *Page 37—(1) paragraph (18) (i) Payment of Rs. 4,046 and 18,120 to bookseller*—Secretary, Education stated that the clerk concerned in this case was the same, namely, Mr. Ahmed Ali, Accountant who was absconding and the Principal of the College was Mr. Gilani who had been screened out. It being so, the matter was dropped.

(2) *Paragraph 18, (ii) Entry of Rs. 3,£37 in the Cash Book*—As the facts of the case were similar to those in the preceding item, the matter was dropped.

6. *Page 38—(1) paragraph 19 (iii)*—In this case, an amount of Rs. 30,000 which was meant for the purchase of furniture for the District Inspector of Schools, Nawabshah, was drawn by an officer of the Education Department on 31st March, 1958 and shown as paid on the same day in the cash book. But this money was deposited in a private bank on 1st April, 1958 and was paid for furniture supplied in May, 1958. A sum of Rs. 15,000 was paid in April while another sum of Rs. 15,000 was paid in May to the Contractor who supplied the furniture. The Department was not able to furnish the information as to when the administrative approval for this amount was applied for and received. The Secretary, Education, the Additional Finance Secretary and the Accountant-General were in agreement on the point that this was an irregularity. The Committee considered views of the officers concerned and found that this device was usually resorted to for the purpose of utilizing the money for the purpose for which it was meant otherwise the amount would lapse on the close of the financial year and the Inspectorate of Education would be poorer in respect of furniture. The Committee wished to make it very

clear that the Committee looked with great disfavour on irregularities of this kind but on the merits of this individual case proposed that the officer responsible might be let off with a warning. The Committee observed that this should not be cited as a precedent.

- (2) *Paragraph (19) (iv)*—Dropped with the same remarks as in (I) above.
- (3) *Paragraph (19) (v)*—Dropped with the same remarks as in (I) above.
- (4) *Paragraph (19)(vi)*—Dropped with the same remarks as in (I) above.

7. *Page 37 paragraph 20—Irregular purchase of stores*—Dropped with the same remarks as in 6 (i) above.

8. *Page 38, paragraph 21—Un-necessary retention of Government money in hand*—Dropped with the same remarks as in 6 (i) above.

9. *Page 46 (II) Audit of grants-in-aid*—Dropped with the same remarks as in 6 (i) above.

10. *Page 46 (III) Secret service expenditure*—Dropped with the same remarks as at 6 (i) above.

11. *Page 58-61 (IV) Delay in disposal of Inspection Reports and audit notes*—The Committee noted with satisfaction the progress of the disposal of the audit notes and impressed upon the Department to clear the remaining ones as soon as possible.

V. Services and General Administration Department—

1. *Page 59 Audit Objection*—The reply to the Audit objection had at last been received in July, 1964. It was contended by the Department that they sent the reply to the Audit in 1961 but the Audit maintained that it never reached them before 8th July 1964. The audit objections, in the very nature of things, had to be replied and complied with immediately. The Department contends that as these objections related to Police Vehicles attached with the Estate Office which were subsequently withdrawn there was some difficulty in collecting the material for complying with the Audit objections. The Committee observed that the Audit objections should be disposed of promptly and in this case there was a considerable delay in complying with the Audit notes relating to the item. With these observations the item was dropped.

2. *Page 5, paragraph 5 read with page 232—Grant No. 39—Miscellaneous—Head—J—17—Partition claims—Saving Rs. 54,579*—The savings were unavoidable because they related to claims of pre- Partition and payments could not be made without an inter-Dominion settlement. The explanation was found satisfactory and the item was dropped.

3. *Page 5, paragraph 5—Grant No. 18—Scientific and Misc. Departments. Head-47—Misc. Departments—L—Exam—Saving of Rs. 218*—The explanation was found satisfactory and the item was dropped.

4. *Page 46 III. Secret Service Expenditure*—The explanation was found to be satisfactory and the item was dropped.

VI. Agriculture Department—

1. *Grant No. 22—Agriculture—Saving Rs. 3,63,14,715*—The original grant was 6,77,55,810 which was modified to 4,77,34,940. The modification

was due to the fact that funds were not made available by the Central Government to the Provincial Government. The question which arose was whether these funds were not released by the Central Government to the Provincial Government on account of non-availability of funds or on account of the fact that the scheme prepared by the Provincial Government was so defective that it could not receive the approval of the Central Government and therefore the funds could not be made available. The Committee was not satisfied from the facts placed before it as to what was the reason for the Central Government for not making these funds available. Mr. S. M. Nasim, Additional Finance Secretary who was advising the Committee was not in a position to state whether these funds were withheld by the Central Government on account of defective schemes or on account of paucity of resources. All that he could state was that these funds were not made available by the Central Government to the Provincial Government. This required a further probe. If the sum of Rs. two crores was withheld by the Central Government on account of defective schemes being prepared by the Provincial Government resulting in the loss of such a large amount to the Province, the matter was serious enough. The Department should look into the matter and find out as to what was the correct position and advise the Audit about the same.

Out of the modified grant of Rs. 4,77,34,940, a sum of Rs. 3,14,41,095 was spent during the year and a sum of Rs. 1,62,93,845 again remained unspent out of the modified grant. The Joint Secretary, Agriculture, stated that a sum of Rs. 1,31,73,930 was the price of Ammonium Sulphate which was purchased during the year but the debit was not raised by the Central Government in time during the year and, therefore, it could not be adjusted during the year. The Committee decided that the Accountant-General should verify as to what was the factual position. The remaining amount, it was stated, remained unutilized because a sum of Rs. 5,79,000 which was to be spent on the salary of staff could not be spent because the staff could not be recruited as the Public Service Commission could not select suitable persons for appointment. It was further stated that a sum of Rs. 8,40,568 could not be spent because cotton seed and other improved seeds of the required standard were not available in the market during the year. These two explanations did not satisfy the Committee. The Department could not produce any document to show that cotton seed and other improved seeds of the required standard were not available in the market during that year. Similarly, the Department was not able to produce any document to show that suitable candidates were not available. The Committee observed that it was really unfortunate that such large sums of money allocated to a top nation-building Department, like the Agriculture Department, should have remained unutilised, and desired that the Accountant-General should look into this question and verify as to how far this explanation was justified. His report would be considered along with the Appropriation Accounts for the next year.

2. *Page 5, paragraph 5—Grant No. 23—Capital Outlay on the Schemes of Agriculture Improvement and Research—Savings Rs. 66,68,410*—The Committee decided that this item should also be verified by the Audit and, if need be, brought up along with the accounts of the next year.

3. *Page 36, paragraph 13. Sale on Credits*—The Audit objection was that Wheat seed of the value of Rs. 99,380 was, in the first place, sold on credit, which should not have been done, and the money should have been realised in cash. The second objection was that this amount had remained unrecovered from 1957-58 to 1961. Mr. Fazlur-Rahim Khan, Joint Secretary, Agriculture Department, admitted the objection and stated that sales should have been on a cash basis and further that this amount had remained outstanding from 1957-58 to June, 1961. He contended that this outstanding amount related to a period much prior to 1957-58 and was carried on since then. The Committee strongly felt that this was a very serious irregularity and recommended

to Government that the officials who were responsible for sale of wheat seed on credit should be suitably dealt with and that the responsibility for the non-realisation of this amount from the year 1957-58 to the year 1961 should be fixed and suitable action taken against the delinquents. The Joint Secretary, Agriculture Department, stated that a sum of about Rs. 17,000 had been realised and out of the total amount a sum of Rs. 81,000 was still outstanding. The Committee noted with concern that a large amount of Government money had not been realised. The Joint Secretary stated that the Revenue Authorities had been asked to make recoveries, and the matter was receiving their attention. The Committee observed that it was a very sad situation and strongly recommended that the Agriculture Department should strongly impress upon the Revenue Authorities concerned, drawing their attention to the observations of the Committee for realisation of this money under advice to the Audit. The Committee desired that this matter should again come up before the Committee during the examination of accounts for the next year. The Agriculture Department will place before the Committee the list of officers who were to realise these amounts but failed in their duty in spite of their attention being drawn towards it by the Agriculture Department.

4. *Page 36, paragraph 18—Sales on Credit*—The explanation was found satisfactory and the item was dropped.

5. *Page 59, paragraph IV(a)—Delay in disposal of Inspection Reports and Audit Notes*—The Committee felt unhappy about so many Audit Notes and Inspection Reports remaining undisposed of for such a long time and impressed upon the Department the desirability of attending expeditiously to the Audit inspection notes.

6. *Page 5, paragraph 5 read with page 157—Grant No. 24—Veterinary. Saving Rs. 34,05,139*.—The Committee decided that the Agriculture Department should clear this objection with the Audit. Subject to this the item was dropped.

7. *Page 5, paragraph 5 read with page 78.—Grant No. 7—Capital outlay on Forest. Saving Rs. 71,586*.—The explanation was found to be satisfactory and the item was dropped.

8. *Page 77, Serial No. 4—Store Account*—The explanation was found to be satisfactory and the item was dropped.

9. The Accountant-General pointed out that the following paragraphs contained in the Appropriation Accounts for the year 1957-58 were required to be explained by the Agriculture Department but they had not furnished the

necessary explanations in respect of them:-

Serial No.	Page of the Appropriation Accounts	Para. No.	REMARKS
1	5 read with 249	5	.. Explanations for Savings 46— Loans and Advances (E-10 and E-22).
2	33	— 1	.. Paragraph regarding serious financial irregularity.
3	34	— 2(i)	.. Ditto.
4	34	— 2(ii)	.. Ditto.
5	34	— 3 (i)	.. Ditto.
6	34	— 3(ii)	.. Ditto.
7	34	— 4(i)	.. Ditto.
8	34	— 4(ii)	.. Ditto.
9	34	— 5	.. Ditto.
10	34	— 6	.. Ditto.
11	35	— 7	.. Ditto.
12	35	.. 8	.. Ditto.
13	35	.. 9 (i)	.. Ditto.
14	35	.. 9 (ii)	.. Ditto.
15	36	.. 10	.. Ditto.
16	36	.. 11(i)	.. Ditto.
17	36	.. 11(ii)	.. Ditto.
18	36	.. 12	.. Ditto.
19	59 to 61	— IV (a) (to (e) ..	Regarding outstanding Audit Notes relating to Comptroller, Southern Area/Comptroller, Northern Area/ Director of Commercial Audit.

The explanation in respect of these paragraphs were asked for by the Committee in October, 1963. The Committee was handicapped in dealing with these matters in the absence of Departments explanations. The Joint Secretary, Agriculture stated that the relevant records pertaining to the Hyderabad Region from which this information could be collected were not available with the Department as they were lying with the Anti-Corruption Department for the last so many years and that the Department was making efforts to get these documents back from the Anti-corruption Department. The Committee decided that these explanations should be furnished by the Agriculture Department to the Audit so that they could be considered by the Committee while examining the accounts for the next year.

VII. SERVICES AND GENERAL ADMINISTRATION DEPARTMENT.

1. *Page 7, paragraph 8—Grant No. 14—Administration of Justice—Excess—Rs. 1,37,203*—The Audit objection was that under this head there was a final grant of Rs. 67,81,800 and the total expenditure was Rs. 69,19,003. Thus there was an excess of Rs. 1,37,203. Mr. Arshad Ali, Additional Registrar, West Pakistan, Karachi Bench stated that a sum of Rs. 2,36,466 was booked under head '27-Administration of Justice—F-Criminal courts' which included a sum of Rs. 1,59,000 wrongly booked under this head. It should have been booked under the head "25-General Administration." The Committee found that if this explanation was correct then there would be no excess expenditure under this head. The Committee decided that the Audit should check this figure. Subject to its correctness, the item was dropped.

2. *Page 7, paragraph 9—Grant No. 14—Administration of Justice—Excess Rs. 63,438*—Under this Head, there was a grant of Rs. 22,38,810 and the expenditure was Rs. 23,02,248. Thus there was an excess expenditure of Rs. 63,438 on account of additional establishment, more frequent touring of judges and their staff for visiting other Benches and Circuits and for inspection of subordinate courts and extra charges of contingent nature, law books and arrears of municipal taxes for the Karachi Bench Building which could not be foreseen. The explanation was considered to be satisfactory.

A further point was raised that an application should have been made for a supplementary grant. The Registrar, West Pakistan High Court, accepted that this was an omission and promised that this would be taken care of in future.

The Committee recommended that the sum of Rs. 63,438 which was in excess of the grant be sanctioned now.

S. M. SOHAIL
CHAIRMAN
Standing Committee on Public Accounts.

**PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE
ON PUBLIC ACCOUNTS HELD ON 31ST JULY, 1964 AT 9.30 A.M.
AND 4.30 P.M. IN THE TEA ROOM OF THE ASSEMBLY
BUILDING, LAHORE.**

I. The following were present:-

- (1) Mr. S. M. Sohail, M.P.A. (Chairman).
- (2) Sardar Ahmed Ali, M.P.A. (Member).
- (3) Khan Atta Hussain Khan, M.P.A. (Member).
- (4) Mr. Ghulam Muhammad Shah, M.P.A. (Member).
- (5) Chaudhri Muhammad Iqbal, Secretary, Provincial Assembly of West Pakistan. (*Ex-Officio Secretary*).
- (6) Mr. S. M. Nasim, C.S.P., Additional Finance Secretary, Government of West Pakistan. (Expert adviser).
- (7) Mr. S. M. A. Sabzwari, P.A. & A.S. Accountant-General, West Pakistan. (By invitation).
- (8) Ch. Muhammad Afzal, Secretary, Basic Democracies and Local Government Department. (By invitation.)
- (9) Dr. K.S. Hamid, G.A.R., Deputy Secretary, Information Department. (By invitation.)
- (10) Mr. Mushtaq Muneer, Law Secretary along with Advocate-General, West Pakistan and Administrator-General and Official Trustee, West Pakistan. (By invitation.)
- (11) Mr. Inayatullah, C.S.P., Secretary, Industries, along with the Director of Industries, West Pakistan and Controller of Printing and Stationery, West Pakistan. (By invitation.)

II. The Committee considered the explanations of the following Departments in respect of audit objections and irregularities pointed out in the Appropriation Accounts for 1957-58:-

BASIC DEMOCRACIES AND LOCAL GOVERNMENT DEPARTMENT.

1. *Page 5, paragraph 5—Grant No. 39—Miscellaneous—Saving Rs. 41,32,953*—Under this item there was a final grant of Rs. 3,53,43,410. out of which Rs. 3,12,10,457 was spent and thus there was a saving of Rs. 41,32,953 which worked out to 11·69 per cent. This head consisted of several sub-heads one of which was 'Village Aid'. Under this sub-head there was a total grant of Rs. 1,28,20,219 out of which Rs. 11,85,321 was spent leaving a saving of Rs. 26,34,898 which worked out to 22 per cent of the modified grant. In the last meeting the Department was asked to furnish the break-up, details and reasons which led to these savings. The Department made a very valiant effort in spite of the fact that the amount related to the defunct Village Aid Department as far back as the year 1957-58. The main reasons outlined by the Department for these savings were that a part of the money could not be utilized on account of the fact that the personnel, on which a part of this money was to be spent, could not be recruited as suitable persons were not available and thus there was a saving to the extent of about rupees five lakhs on this account. There was a further saving of Rs 20,81,744 on account of the development expenditure which was mainly necessitated by the non-availability of matching grants from the public concerns and the non-availability of building material. The explanation was considered to be quite satisfactory and the item was dropped.

2. *Paragraph 38, Page 44—Misuse of Government Vehicles*—(i) The first item under this audit objection related to the misuse of public vehicles by an

officer to the tune of Rs. 877. As this officer belonged to the P.C.S. cadre his case had been referred by the Basic Democracies and Local Government Department to the Services and General Administration Department for appropriate action.

(ii) The second item related to the payments to be made by Government officers who used Government vehicles for private purpose. Secretary, Basic Democracies and Local Government stated that a total sum of Rs. 8,208 and not Rs. 8,060 as was mentioned in the log books, was to be recovered; that this figure of Rs. 8,208 had been verified by the Audit and accepted by the Principal of the Institute at Tandojam; that the Department had recovered Rs. 697.22 under the impression that they had to recover a sum of Rs. 948.06 only; that in the light of the correct figures the Department would proceed to recover the balance amount and report it to the Audit. The Committee considered the explanation satisfactory and the item was dropped.

3. *Page 44, paragraph 40 (i)—Unauthorised expenditure*—Under this head an amount of Rs. 2,92,000 was spent on Village Aid Department Schemes without proper sanction. The explanation of the Department was that the Commissioner, Khairpur Division, to whose area this demand related had accorded *ex-post-facto* sanctions; that the respective Commissioners had also accorded *ex-post-facto* sanction for these schemes recently. The Committee decided that this should be verified by the Audit. Subject to this the item was dropped.

As for the delay in according sanction for the recovery of the amounts Mr. G. M. Abbasi, Mr. Abdus Sattar Sheikh and Mr. K. Z. Durrani, were examined by the Committee. Mr. Sheikh Ahmed Khan was not available and he had sent a message that he would be available on 1st August 1964. The Committee found that in cases of schemes worth more than Rs. 2,000, the permission of the Commissioner had to be obtained. These schemes amounting to more than Rs. 2,000, however, related to either purchase of medicines or purchase of ammonia sulphate or some other commodity or for doing of some other thing which was spread over a number of schemes and if the entire purchases were to be treated as one scheme then the amount would exceed Rs. 2,000. But if it was, however, distributed to different village councils over which this money was to be spent then in each case it would come to a scheme of less than Rs. 2,000. There was difference of opinion between the officers as to how it should be treated. At that time they thought that perhaps no sanction from the Commissioner was necessary. This is how the money was distributed without the sanction of the Commissioner. But subsequently it was found that it should have been as one scheme and the sanction of the Commissioner was necessary. As stated above, the *ex-post-facto* sanctions of the Commissioner had subsequently been obtained. The Committee observed that if the Commissioner had been more vigilant he would have been able to give necessary direction to accord necessary sanction at the proper time, which, however, was done in this case.

As for the recoveries, the Committee was informed that the recoveries were being made. The Committee felt that there was a likelihood of misunderstanding on this issue, namely, whether the recoveries were to be made in all cases where the works had been completed and also where the work has not been completed. The Committee desired that the Deputy Commissioners concerned should look into it. The Committee considered that where the works had been completed there was no justification for making the recovery.

INFORMATION DEPARTMENT

1. *Page 47, paragraph III—Secret Service Expenditure*—Under this Head, moneys are made available to the Home Department for expenditure in the Tribal Areas. The only audit control exercised on this expenditure was that a certificate was required to be given by the Department concerned in the

prescribed form. The idea was that it should be left to the conscience of the officer, disbursing the money, to see to it that the money was being properly spent and he should exercise his mind on that point while incurring the expenditure and issuing certificate. In this case a certificate was issued in the year 1958 by one Mr. Mahmud Nizami, who was the Director of Public Relations of the Region concerned. According to the Accountant-General the certificate should have been issued by Secretary, Home, and not by Mr. Nizami. It was stated that a controversy was going on between the Home Department and the Audit Department on this issue which was not yet settled. The Committee stressed the desirability and necessity of issuing the relevant certificate at the proper time when the money was spent because this was the only measure of control over these expenses and if this was not done, it would tantamount to throwing money away completely at the mercy of the spending officer. *Prima facie*, it was the Home Department who should have issued the necessary certificate, even if the power of expenditure was delegated to one of the subordinate officers because as far as the Legislature was concerned it was the Home Department to whom the money was granted and the Home Secretary should be responsible for exercising the necessary control over the expenditure and, therefore, to issue the necessary certificate. These observations of the Committee were tentative and subject to verification by the Accountant General.

2. Paragraph 5, Page 5 read with page 145—Grant No. 18—Scientific and Miscellaneous Department—Head—“K—Publications”—Saving Rs. 2,45,762—The explanation was considered satisfactory and the item was dropped.

3. Page 5, paragraph 5 read with page 231—Grant No. 39—Miscellaneous—Head—J—7—State Guests—Saving Rs. 52,458—The explanation was found satisfactory and the item was dropped.

LAW DEPARTMENT

1. Page 7, paragraph 8 read with page 119—Grant No. 14—Administration of Justice—Head—C—Administrator, General and Official Trustee—Excess Rs. 598.—The Committee was satisfied with the explanations and recommended the grant of the additional amount.

2. Page 7, paragraph 8 read with page 118—Grant No. 14—Administration of Justice Head “B-2—Law Officers”—Excess Rs. 69,837—The Committee was satisfied with the explanations and recommended the grant of the additional amount.

INDUSTRIES DEPARTMENT

1. Paragraph 5, page 5 read with page 227—Grant No. 39—Miscellaneous—Head “57—Miscellaneous—A—Cost of Books and periodicals”—Saving Rs. 28,023—Under this head there was a saving of Rs. 28,023 out of total grant of Rs. 50,000. This money was meant for the purchase of official publications by several Government Departments. The Committee noted with regret that, Secretary, Agriculture Department, West Pakistan, the Registrar, Co-operative Societies, West Pakistan, the Secretary, Health Department, West Pakistan, the Secretary, Food Department, West Pakistan, the Director, Civil Defence, West Pakistan, the Director, Labour Welfare, West Pakistan, the Secretary, Education Department, West Pakistan, the Inspector-General of Police, West Pakistan, the Secretary, Home Department, West Pakistan, the Secretary, Water and Power Development, West Pakistan, the Commissioner, Lahore Division,

the Rehabilitation Commissioner, West Pakistan, the Commissioner, Bahawalpur Division, the Commissioner, Khairpur Division, the Commissioner, Hyderabad Division, the Commissioner, Kalat Division, the Commissioner, Peshawar Division, the Commissioner, Dera Ismail Khan Division, the Chairman, Road Transport Authority, West Pakistan, the Chief Game Warden, Lahore, the Secretary, Communications and Works Department, West Pakistan, the Controller, Printing and Stationery, West Pakistan, had either made no expenditures at all on the purchase of these books or made purchases worth quite a few rupees. The Committee observed that no progress could be made in the country if the officers, to whom grants for books are made for their information being brought up-to-date, do not Purchase books and thus do not afford an opportunity to their subordinate officers to brush up their minds with the progress all around and the requirements of the country all around them particularly from the point of view of their own Departments. The Committee decided to recommend to Government to draw the special attention of these officers towards this. The Committee further decided to make a mention of this in the report to the Assembly. Subject to this the item was dropped.

2. *Page 5, paragraph 5 item 18, Grant No. 26—Industries—Saving Rs. 57,89,591*—Under this head there was a grant of Rs. 1,53,65,810 out of which Rs. 92,76,219 was spent and there was thus a saving of Rs. 57,89,591. Secretary, Industries, Commerce and Mineral Development Department, pointed out that the modified grant under this head was Rs. 1,08,56,500 out of which Rs. 93,83,431 was spent and there was a saving of Rs. 14,73,069 only. Out of this saving of Rs. 14,73,069 reasons for the saving of Rs. 11,56,805 had previously been explained to the satisfaction of Audit. Therefore, the Committee did not go into that. The Committee considered the saving of Rs. 3,17,264 only.

Secretary, Industries, Commerce and Mineral Development Department stated that the administrative approval for the expenditure was issued by the Department with the concurrence of Finance Department in about July 1957 that as the work was new, certain officers were to be entrusted with certain responsibilities which could not be done without the concurrence of the Finance Department and from September onwards that Department started writing to the Finance Department to agree to the declaration of the said officers to be the drawing and disbursing officers; that this matter was decided on 19th March, 1964 with the result that the money could not be utilized. The Committee observed that there was an initial delay of 3 months in the issue of administrative approval then the Department took two months to make reconsiderations to Finance Department regarding declaration of drawing and disbursing officers; thereafter protracted correspondence ensued and went on for six months and at last the very first proposal, namely, that a certain class of officers should be declared as drawing and disbursing officers was accepted. But this was done as late as 19th March, 1958 with the result that the money could not be utilised during the Financial year. The Committee noted with regret that this huge amount could not be spent and thereby utilised for nation-building purposes on account of two Departments sitting on technicalities and formalities and Finance Department ultimately accepting that which was proposed in the begining and all this delay was made to the detriment of the progress in the country. The Committee did not consider necessary to go into it further and dropped the item but decided to refer the matter in the report to the Assembly.

3. (i) *Page 5, paragraph 5, item 19—Grant No. 27—Capital outlay on Industrial Development—Saving Rs. 58,08,210*—(ii) *Page 9, paragraph 12. Control over expenditure*—Under the head "27—Capital Outlay on Industrial Development" there was a saving of Rs. 58 lacs out of which, according to the Department, a

sum of Rs. 50 lacs could not be utilised because the Mineral Industrial Development Corporation could not be set up during 1957-58 due to difficulties in the appointment of its Chairman and the constitution of the Boards of Directors and the remaining saving of Rs. 8 lacs was due to non-raising of debit which was a technical accounting feature. It was further stated that the Mineral Industrial Development Corporation which was to be set up in that year could not be set up at all. The Committee observed that the Mineral Industrial Development Corporation was one of the important industrial activities that a country could think of; that if proper efforts had been made to find out suitable persons to act as Chairman and the Board of Directors it would have been quite possible to do so; that this single instance was quite illustrative of the political scramble at the time which had led to this unfortunate position. The Committee decided to refer it in the report.

4. *Paragraph 5, page 5 Item No. 24—Grant No. 38—Stationery and Printing—Final Grant Rs. 1,15,82,130—Expenditure, Rs. 74,40,022—Saving Rs. 41,42,108.*—Under this item goods were to be purchased from abroad through the Director-General, Supplies and Development but it was not done till May September, October. The orders placed in October were certainly belated orders. The Department should have taken care to place these orders much earlier. The saving was due to the fact that the goods did not arrive during the year and payments were not made during the year. The Secretary, Industries, Commerce and Mineral Development Department promised to look into the question and take serious action against the persons who were responsible for placing the orders late with the result that the amount could not be utilised during the year. Subject to this the Committee dropped the item.

5. *Page 58, paragraph (IV)—(i) Delay in disposal of Inspection reports and audit notes by Director of Industries*—The Department stated that they had submitted their remark to the Audit and only few which were still outstanding would be cleared very shortly. On this assurance the Committee dropped the item.

(2) *Delay in disposal of Inspection reports and audit notes by Controller of Printing and Stationery*—The Secretary, Industries, Commerce and Mineral Development Department promised to look into it again although he maintained that the reports had been cleared. The Committee stressed the importance of attending to the inspection reports and audit reports expeditiously because if the Audit notes were not attended to then the situation might arise where it becomes impossible, after long intervals, to explain as to why the irregularities took place. The Committee recommended that serious action should be taken against those officials who were responsible for the delay. Subject to this the item was dropped.

S. M. SOHAIL
Chairman,
Standing Committee on Public Accounts.

PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE ON
 PUBLIC ACCOUNTS HELD ON THE 1st AUGUST, 1964 AT 9.30 A. M.
 IN THE TEA ROOM OF ASSEMBLY CHAMBER, LAHORE.

I. The following were present :—

(1) Mr. S.M. Sohail, M.P.A.	.. Chairman.
(2) Sardar Ahmad Ali. M.P.A.	.. Member.
(3) Khan Ata Hussain Khan, M.P.A.	.. Member.
(4) Mr. Ghulam Muhammad Shah, M.P.A.	.. Member.
(5) Chaudhri Muhammad Iqbal, Secretary, Provincial Assembly of West Pakistan ..	<i>Ex-officio</i> Secretary.
(6) Mr. S.M. Nasim, C.S.P., Additional Finance Secretary, Government of West Pakistan ..	Expert Adviser.
(7) Mr. S.M.A. Sabzwari, P.A. A.S., Accountant-General, West Pakistan ..	By invitation.
(8) Mr. M. Riazul Hasan, P.A. & A.S., Director of Audit and Accounts (Works) ..	By invitation.
(9) Mr. Anwar Adil, C.S.P. Secretary, Government of West Pakistan, Home Department, along with Representatives of Heads of Attached Departments ..	By invitation.
(10) Mr. I.U. Khan, C.S.P., Member Board of Revenue along with I.G. of Registration, Northern Zone ..	By invitation.
(11) Faqir Syed Saraj-ud-Din, P.C.S., Secretary to Government of West Pakistan, Food Department ..	By invitation.
(12) Dr. Amir Muhammad Khan, Secretary to Government of West Pakistan, Health Department ..	By invitation.

II. The Committee considered the explanations of the following Departments in respect of audit objections and irregularities pointed out in the Appropriation Accounts for 1957-58.

FINANCE DEPARTMENT

1. *Page 5, paragraph 5 read with page 227—Grant No. 39-Misc.—sub-head—C-Special Commissions of Enquiry-Secretary to Government of West Pakistan, Food Department—Saving Rs. 2,000—*A provision of Rs. 2000 during 1957-58 under the Head "57-Miscellaneous—C-Special Commissions of Enquiry Reserve with Finance Department was meant to meet unforeseen expenditure. The savings could not be foreseen in time for surrender.

The explanation was found to be satisfactory and the item was dropped.

2. *Page 7, paragraph 8. Grant No. 10-Irrigation Works Final Grant Rs. 6,15,51,700. Expenditure Rs. 6,88,74,795.—Excess Expenditure Rs. 73,23,095—*(1) In this case on account of works necessitated by unusual floods the Irrigation and Power Department had incurred an excess expenditure of Rs. 73,23,095. The Department urged that this excess was due to the fact that the Finance Department did not grant them that amount of money which they required and which they had demanded for carrying out the works that were absolutely necessary for repairs on account of unusual floods and which in their view, if

not attended to, would have led to disaster and a great national loss; that if the Department would not have undertaken these works, the amount spent in excess would have borne no proportion to the actual loss that the nation would have suffered on account of flood havoc.

(2) The Committee, at its last meeting held on 30th April 1964 had called upon the Finance Department to explain as to what were the reasons for their turning down this additional requirement from the Irrigation and Power Department which appeared to be so well based and for such a laudable object.

(3) Mr. S.M. Nasim, Additional Finance Secretary, who appeared on behalf of the Finance Department, did not make attempt to satisfy the Committee as to what were the reasons which impelled them to turn down this demand. He took up the question of law and procedure. His contention was that the Finance Department was under no obligation to answer this question to the Committee because it was their absolute jurisdiction, even if, to take a very extreme case, they had to turn it down perversely against the national interest.

(4) The Committee examined this question in more details. The Committee found that there was a duty cast by the Constitution as well as by the Punjab Budget Manual on the Finance Department to make supplementary grants in suitable cases. The relevant provision is embodied in Article 100 of the Constitution then in force which is reproduced below—

"If in respect of any financial year it is found—

(a) that the amount authorized to be expended for a particular service for the current financial year is insufficient, or that a need has arisen for expenditure upon some new service not included in the Annual Financial Statement for that year, or

(b) that any money has been spent on any service during a financial year in excess of the amount granted for that service for that year;

the Governor shall have the power to authorise expenditure from the provincial Consolidated Fund whether the expenditure is charged by the Constitution upon that Fund or not, and shall cause to be laid before the Provincial Assembly a Supplementary Financial Statement or, as the case may be, an Excess Financial Statement setting out the amount of that expenditure and provisions of Articles 96 to 99 shall apply to the aforesaid statements as they apply to the Annual Financial Statement."

In the Punjab Budget Manual, Fifth Edition, page 118, paragraph 14-16 under the Head "Supplementary Appropriation" it is stated :—

"A supplementary appropriation whether 'voted' or 'charged' is an addition to the total authorised grant as included in the Schedule or in a supplementary Schedule of authorized expenditure has to be obtained in the manner prescribed in Section 81 of the Government of India Act 1935 (as adapted) passing through the same stages, as the Annual Financial Statement or Budget.

The Committee was of the view that where a duty was cast on the Finance Department to act in a particular manner, and if the question arises whether they did or did not act in terms of the duty cast on them by law then the Committee was well within its jurisdiction for asking explanation from the Finance Department. What was the alternative for the Committee to satisfy itself whether the Finance Department has or has not discharged that duty which has been cast on them by law. In this view the Committee was fortified by a passage in "Parliamentary Grants by Durrel" beginning at page 134 under

the heading "Examination of Treasury Accounts." The relevant passage is reproduced below—

"The functions of the PAC (Public Accounts Committee) which have been so far dealt with are, in the main, those whereby it examines the actual accounts before it with a view to recording its opinion, in the first place of their correctness as accounts and secondly, as to their "wisdom, faithfulness and economy." There remains to be mentioned two further function. The first of these is constitutionally important, though, under modern conditions it is a function which does not require to be frequently exercised. It is the duty of the Committee to examine the executive action of the Treasury as regards its compliance with the law."

(5) As stated above, in Committee's opinion, there was a duty cast on the Finance Department to apply its mind to the exigencies of the situations and to see to it that suitable grants by way of supplementary grants were made available to the Department which required them in cases of exigency. In the present case, the Committee was satisfied that it was a case of exigency. If the Finance Department could have come out with reasons and would have tried to satisfy the Committee as to how they were or they were not satisfied, the position would have been different. But it took the stand that it was just not liable to explain to the Committee. The result was that no explanation was submitted by the Finance Department on this question. The Committee considered the view taken by the Finance Department on this question wholly wrong and observed that this Department should have explained the position to the Committee.

(6) One other point was raised by Mr. S.M. Nasim Additional Finance Secretary, to the effect that as the Finance Department must have explained its point of view to the Council of Ministers by processing the supplementary grant on its way to the Legislature, it would be deemed to have sufficiently discharged the duty cast on it by law in so far as the question that it had applied its mind to the subject or not was concerned. The Committee did not agree on this point also and observed that it was the Committee to examine the wisdom, the propriety, the legality and the position taken by the various Departments in all matters of expenditures, savings surrenders, appropriations and re-appropriations. The Committee could not divest itself of this jurisdiction vested in the Committee and which has been held out by long practice. The Committee decided that as far as the Irrigation and Power Department was concerned this item was dropped but as far as the Finance Department was concerned the matter will be included in the Report.

HOME DEPARTMENT

1. *Page 9, paragraph 12 (i)—Grant No. 15. Jails and Convict Settlement Saving Rs. 2,55,588*—The explanation was found to be satisfactory and the item was dropped.

2. *Pages 59—61 Delay in disposal of Inspection Reports and Audit Notes*—Home Secretary to Government informed the Committee that meetings were in Progress and that the Department was trying to eliminate all these arrears of Audit notes. The Committee dropped the item.

3. *Page 46—III-Secret Service—Police Department*—(1) Home Secretary stated that the requisite certificate from the Inspector-General concerned had been made available to the Audit. The Committee decided that no further consideration on this point was necessary.

(2) The Committee however took note of the following explanation in the working papers submitted by the Home Department:—

"Likewise the Special Branch, the district S.S.P. have no separate allotment under Secret Service Fund. They simply, if and when

necessity arises, incur expenditure for the purpose from the provision made to them under 'Other Contingencies'. Thus when there was no allotment the question of submitting the requisite certificate did not arise".

It appeared to the Committee that there were perhaps cases where S.S.P.S. and other officers of the Department incurred expenditure and the Department thought these expenditures could also be covered by a certificate which could be issued by these officers or by the Inspector-General. The Committee made it clear that it was only the officer to whom the allocation was made in the budget for the disbursement of the secret service fund who was to disburse the money and to issue the certificate and that this certificate was to be issued as soon or even better at the time that the officer concerned applied his mind to the issued as soon or expenditure and when the whole thing wa fresh in his mind and when he could say with satisfaction to himself that the money was spent for the purpose for which it had been provided and the rest of other provided for remain subject to the control of Audit to the extent they were moneys would under the relevant rules.

4. *Page 9, Paragraph 12 (i)—Grant No. 16 Police—Saving Rs. 9,73,695—* The expla- naion was found to be satisfactory and the item was dropped.

5. *Page 59-61—Item 'C'—Unfinalized cases of serious financial irregularities, delay in disposal of Inspection Reports and Audit Notes—Home Secretary explained that it was question of book adjustment and assured that best efforts were being made to complete this work. The item was dropped.*

6. *Page 46 : III-Secret Service Explanation—Tribal Affairs Wing—* The explanation was found to be satisfactory and the item was dropped.

7. *Page 5, paragraph 5 read with 249—Grant No. 46-Loans and Advances—Head- (E-24) Taqavi Advances to tribesmen Saving Rs. 16,000—The expla- nation was found to be satisfactory and the item was dropped.*

8. *Page 25, paragraph 18—Excess payment of Rs. 74,891—The expla- nation was found to be satisfactory and the item was dropped.*

(See remarks of the Committee on this item in the minutes of the meet- ing of Standing Committee held at 9 a.m. for consideration of the items regarding Irrigation and Power Department).

9. *Page 59-61 : Delay in disposal of Inspection Reports and Audit Notes by the District Judge, Lahore—The Registrar High Court of West Pakistan stat- ed that the Audit note replies had by then been sent. He assured that in future he would continue to do so. The item was dropped.*

10. *Page 59-61 : Delay in disposal of Inspection Reports and Audit Notes by District Judge, Rahimyar Khan—The Registrar, High Court of West Pakistan stated that the these audit notes were not received by the District and Sessions Judge, Rahimyar Khan, that these notes were misplaced somewhere. The A.G., West Pakistan also appeared to have no note in his possession, and he stated that he would try to supply a copy of it to the High Court. The item was dropped.*

11. *Page 59-61 : Delay in disposal of Inspection Reports and Audit Notes by Rangers—The explanation was found to be satisfactory and the item was dropped.*

12. (i) *Page 5, paragraph 5 read with page 145—Grant No. 18- Scientific and Miscellaneous Departments—Head-Ecclesiastical Saving Rs. 70,024—(ii) Page 5, paragraph 5 read with page 227—Grant No. 39-Misc (P) Donations for Charitable purposes—Saving Rs. 8,525—*The Home Secretary stated that these two items related to the Auqaf Department; that these subjects were originally dealt with by the Home Department but were subsequently entrusted to the Auqaf Department; that the files relating to these items had been transferred to the Auqaf Department by the

Home Department ; that the Home Department, however, asked for the explanations from the Commissioners, Bahawalpur, Khairpur and Karachi. The replies from the Commissioners, Bahawalpur and Khairpur were received from which it appeared that they had incurred excess expenditure. The reply from the Commissioner, Karachi had not been received. It was decided that the Au-qaf Department be asked to submit working papers for these two items which would be considered by the Committee in its next meeting on the 10th August 1964.

REVENUE DEPARTMENT

1. *Page 5, paragraph 5 read with page 208—Grant No. 35-Famine—5-Saving on voted grants-Saving Rs. 4,33,093—*(1) Mr. I.U. Khan Member, Board of Revenue, stated that this saving by and large, was affected on account of the fact that the work being of an uncertain nature the correct estimate could not be made of the damage that needed relief which was to be provided by making this provision. The Committee considered this explanation quite sound. The Committee observed that when there was a havoc like flood, etc., there was a tendency to exaggerate it and provision was made on that basis in the beginning but when the actual working came, the officers exercised their discretion in utilising funds.

(2) It was pointed out to the Committee that a sum of Rs. 5 lakhs and odd was provided under this Head for about 10 schemes in the Hyderabad and Khairpur Regions, mostly for building of roads and for providing tube-wells etc., and such like works. From the information supplied by the Irrigation and Power Department to the Revenue Board, it appeared that all these works were completed with a saving of Rs. 2 lakhs. The Committee decided that the Irrigation and Power Department should explain this saving in the next meeting of the Committee on the 10th August 1964.

2. *Page 5, paragraph 5 read with page 248. Grant No. 46—Loans and Advances bearing Interest—Saving Rs. 68,93,050—*Mr. I.U. Khan, Member, Board of Revenue, explained that so far as the Revenue Department was concerned, there was a saving of less than 10 per cent. The A.G., West Pakistan, however, pointed out that no explanation was provided to the Audit for this item. The Committee observed that according to the practice followed by the Committee, the Committee did not normally go into the cases where there was a saving of less than 10 per cent, but the Audit has got to apply its mind to all such cases. The Revenue Department should, therefore, supply necessary explanation to the Audit.

3. *Page 7, paragraph 8 read with page 75. Grant No. 5—Stamps—Excess Rs.34,290—*In this case the only objection that remained was that a supplementary grant would have been asked for in time. Mr. I.U. Khan Member, Board of Revenue, stated that while there might be some force in maintaining that the Department should have maintained diligence from month to month, yet it could be very well be appreciated that the Department, in the case of estimates of revenue on stamp duty, which was not subject to very great fluctuations, generally thought that the fluctuations would not be very much, that in this case it escaped their attention and that is why there was an excess. The Committee considered the explanation to be satisfactory and the item was dropped.

4. *Page 9, paragraph 12 (i), read with page 71—Grant No. 3-Land Revenue—Saving Rs. 12,629—*In this case, the original grant was Rs. 1,54,29,200. The grant was modified to Rs. 1,56,79,600 and out of this Rs. 1,56,86,871 was spent. Thus there was a saving of only Rs. 12,629, which showed a very nearly correct estimate and judicious expenditure at all the stages of estimates and expenditure. The Committee considered this really creditable and the item was dropped.

5. *Page 9, read with page 82—Grant No. 10-Irrigation Works—Major Head 18 (b)—Final Saving Rs. 54,962*—The explanation was found to be satisfactory and the item was dropped.

6. *Page 75, "(4)-Store Accounts"*—Mr. I. U. Khan, Member, Board of Revenue, assured the Committee that he would look into this matter and, in future the Department would be more careful and would also see the desirability of taking action against some of the officers who were responsible for it. The Committee decided to drop the item.

REVENUE DEPARTMENT (FLOOD RELIEF PORTION)

1. *Page 43, paragraph (32) Misappropriation of Cash*—The explanation was found to be satisfactory and the item was dropped.

2. *Page 43, paragraph 33 Theft of Cash*—This case related to a theft of Rs. 702 by a Daftardar. As the money had since been recovered the item was dropped.

3. *Page 43 paragraph (34) Unauthorised expenditure*—(1) Under this item a sum of Rs. 3,000 were given out of the flood relief grant, to private clubs for repairs. A sum of Rs. 2,500 was stated to have been recovered. The remaining sum of Rs. 500 was advanced to the Boat and Swimming Club, Sukkur and it was spent over the repairs of the club building. The recovery proceedings were started but the the money could not be recovered as the club was dissolved. As the club had itself been eliminated, the sanction for the remission of the money was given by the Commissioner, Hyderabad Division. Mr. I.U. Khan, assured that it was ensured that no such irregularity should take place in future.

(2) Another sum of Rs. 830 was spent on Taccavi loans out of the flood relief grant. This was an irregularity but it was done under the stress and strain of the circumstances that this amount had to be paid for wheat consignment to save the Government from damnage as the taccavi grant was not available at that time. This irregularity has since been regularised.

(3) There was a sub-item under this head for which there was no amount at one time but it was stated that the accounts were not available the Committee decided that it should be verified by the Audit.

(4) Subject to the above, the item was dropped.

4. *Page 44, paragraph (35) Outstanding advance of cash*—This was a case of irregularity where a certain officer kept government money irregularly to the tune of Rs. 1,747 in a wrong account. The amount has since been regularised by necessary adjustment. Mr. I.U. Khan assured that the Department would have an eye on such irregularities and would ensure that such things did not occur in future. The item was dropped.

5. *Page 44, paragraph 36—Misuse of Flood Relief Grant*—Out of the flood relief grant of Rs. 1,00,000 earmarked for distribution among the flood stricken people, a sum of Rs. 1,505, was disbursed to such people who were not deserving inasmuch as they were not flood stricken. This amount has since been written off as there was no way of recovery. The Department had tried to start criminal proceedings by sending the records to the S.P. but the papers were lost in transit. Mr. I.U. Khan proposed to pursue this matter for the recovery of records or for the punishments of delinquents or both. Subject to this the item was dropped.

6. *Page 44, paragraph 37—Shortage of rice*—The item related to rice worth Rs. 544 which was kept with a Tapedar during the flood relief operation. This Tapedar was convicted in another cases. He served his sentence and after coming out of jail is untraceable. The amount has been written off. The item was dropped.

III. It was decided that the items of the Board of Revenue relating to Excise and Taxation Department and Inspector-General of Registration and items of the Food Deparment will be taken up on 10th August 1964.

It was further decided that the items of the Health Department will be taken up on 11th August 1964.

IV. The Accountant-General drew attention to the fact that a large number of cases pertaining to Audit notes were not attended to and no replies were furnished in time with the result that the delay goes on from year to year. In this connection he referred to the proceedings of the P.A.C. meeting held on 1st December, 1961, which was presided over by the Governor and where this question was considered, amongst other question, and a decision taken which is reproduced below—

“The Committee directed that a circular letter should be issued to all Heads of Departments to order withholding of the salary in respect of those officers who do not reply to the Audit objections within the prescribed time limit.”

The Accountant-General stated that a circular letter was issued on the basis of this decision in September 1962 but in spite of that a very large number of cases still remained where the Audit notes were not attended to.

It was further pointed out that there were some procedural difficulties in withholding salaries of the officers concerned if they were not attending to the Audit notes. The Committee decided that this question should be examined by the Finance Department and advice should be given to the Committee at the next meeting on the 10th August 1964. The Committee, however, observed that the matter was quite serious' that if there was any difficulty in imposing this particular punishment it should be quite possible to deal with such delinquents in some other way. The A.G. informed the Committee that the time prescribed for replying to the Audit notes was six weeks. Upon this the Committee observed that it should be quite a healthy rule of practice that the Departments which considered that the proper replies could not be formulated within the period of six weeks, should send interim reports to the Audit stating the difficulties inherent in the collection of the relevant material for the purpose of formulating the replies and ask for such time as they considered necessary for the preparation of replies ; that in all other cases the replies should be sent to the Audit within six to ten weeks, that if this rule of procedure was not observed in future, then the Heads of Departments should take severe disciplinary action against the officers responsible for the delay and the failure of the Heads of Departments to implement these observations would be treated as latches on their part and would be taken a serious view of by the Committee.

V. The Committee then adjourned to meet again on 10th August 1964, at 9 a.m,

S.M. SOHAIL
Chairman,

Standing Committee on Public
Accounts,

PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE
ON PUBLIC ACCOUNTS HELD ON THE 10TH AUGUST 1964 FROM
9-00 A.M. TO 12-30 P.M. IN THE TEA ROOM OF THE ASSEMBLY
BUILDING, LAHORE.

I. The following were present:—

- | | |
|--|------------------------------|
| (1) Mr. S. M. Sohal, M. P. A., | .. Chairman. |
| (2) Sardar Ahmed Ali, M. P. A., | .. Member. |
| (3) Khan Ata Hussain Khan, M. P. A. | .. Member. |
| (4) Mr. Ghulam Muhammad Shah, M.P.A. | .. Member. |
| (5) Mr. Muhammad Akbar Khan of Paniala, M.P.A. | .. Member. |
| (6) Chandhi Muhammad Iqbal, Secretary, Provincial
Assembly of West Pakistan. | <i>ex-officio</i> Secretary. |
| (7) Mr. S.M. Nasim, C.S.P., Additional Finance Secre-
tary, Government of West Pakistan. | Expert Advisor. |
| (8) Mr. S.M.A. Sabzwari, P.A. & A.S., Accountant-General, West
Pakistan, | By invitation. |
| (9) Mr. S.M. Ikram, C.S.P., Member Board of Revenue, By invitatio r.
and Secretary to Government of West Pakistan,
Auqaf Department. | |
| (10) Mr. B.A. Qureshi, C.S.P., Member Board of Revenue, By invitation.
and Secretary to Government of West Pakistan,
Excise and Taxation Department, | |
| (11) Dr. Amir Muhammad Khan, Secretary to Government, By invitation.
of West Pakistan, Health Department accompanied by
Director of Health, Southern Region, | |
| (12) Faqir Syed Saraj-ud-Din, P.C.S., Secretary to Government By invitation.
of West Pakistan, Food Departmen, | |
| (13) Mr. Abdul Wahab, Deputy Secretary to Government By invitation.
of West Pakistan Irrigation and Power Department. | |
| (14) Mr. Izzat Awan, P.C.S., Deputy Secretary to Government By invitation
of West Pakistan, Home Department, | |
| (15) Mr. Ijaz Ahmed Qureshi Inspector-General, Registration, Nortern
Zone, Lahore | |

II. The Committee considred the explanations of the following Department
in respect of audit objections and irregularities pointed out in the Appropriation's
Accounts for 1957-58 :—

REVENUE DEPARTMENT

1. *Page 5, paragraph 5 read with page 208—Grant No. 35—Famine-5—
Saving on voted grants—Saving Rs. 4,33,093—The Committee had examined
this item in its meeting held on 1st August, 1964 when it was decided that the
Irrigation and Power Department should explain the saving of Rs. 2 lakhs.
The Committee considered the explanation of the Irrigation and Power Department
and found it to be satisfactory and dropped the item.*

2. *Page 9, paragraph 12 (i)—Supplementary Grants and Appropriations
proving partly or wholly unnecessary—Registration—Final Saving Rs. 6,800—The
Inspector-General of Registration, Northern Zone, explained that this saving of
Rs. 6,800 was due to non payment or late payment of salaries to Sub-Registrars
in the Southern and Northern Zones.*

The Inspector-General of Pakistan, Northern Zone explained that out of the said saving a sum of Rs. 2,228 could not be paid as leave salaries in the Southern Zone as the administrative approval was received as late as August, 1958, i.e., about five months after the close of the financial year. No explanation was given as to why this administrative approval was received as late as that specially when this approval was to come from the Revenue Department itself and, looked at it from this point of view, the Committee was of the view that this delay was still more serious. The Committee observed that time and again, in the course of examination of these accounts, if found that non-receipt or late receipt of administrative approval was responsible for major bottle-necks and created a difficult situation. The difficulty to the officer concerned who did not receive his salary for that long period and the conjecture and the surmises that were almost inherent in this position as to how he lived on without his salary for so long a period were inevitable. The Inspector-General of Registration (Southern Zone), inspite of having been called by the Committee to appear before it, did not turn up and in his place his Personal Assistant appeared before the Committee and there was no explanation for this from the Revenue Department. The Committee took a strong exception to this procedure adopted by the Inspector-General (Southern Zone) and the Revenue Department. The Personal Assistant who appeared before the Committee could not produce any satisfactory evidence on the point. The Committee was wholly dissatisfied with the explanation and decided to refer to it in their report to the Assembly.

The Inspector-General of Registration, Northern Zone, further stated that the saving of Rs. 1,032, out of the saving of Rs. 6,800, was due to non-payment of arrears to the Sub-Registrars confirmed in 'D' grade with retrospective effect of the Inspector-General of Registration, Southern Region. He could not give any satisfactory explanation for the non-disbursement of this amount also.

A sum of Rs. 2,803 was another part amount going to make the total saving amounting to Rs. 6,800. No satisfactory explanation for this saving was furnished.

Another sum of Rs. 1,073 out of the saving of Rs. 6,800 was due to non-payment of certain amounts to the Thal Development Authority by the District Registrar, Sargodha. The Inspector-General of Registration, Northern Region stated that this amount could not be paid till date on account of the fact that Government orders for the payment were awaited. He pointed out that in this case the Government, in the Revenue Department, was required to pass the orders for the payment of this amount. The Committee found this situation simply preposterous and observed that this was an account for the year 1957-58 but the payment was not made till 10th August 1964. The Committee decided that the Revenue Department should reconcile it with the Audit as early as possible and bring the matter again before the Committee when it examines the accounts for the year 1958-59.

AUQAF DEPARTMENT—HOME DEPARTMENT

Page 5, paragraph 5 read with page 227—Grant No. 39—Miscellaneous (B) Donations

for charitable purposes—Saving Rs. 8,525—The Committee was satisfied with the explanation and the item was dropped.

EXCISE AND TAXATION DEPARTMENT.

1. (i) *Page 5, paragraph 5 read with page 70 grant No. 2—Opium—Saving Rs. 7,95,613.*
 - (ii) *Page 9, paragraph 12 (ii) Grant No. 2—Opium—Surrender of Rs. 8,02,250.*
- In this case there was a total grant of Rs. 18,98,600 meant principally for the purchase of opium. Out of this amount there was a saving of Rs. 7,95,613.

Mr. B.A. Qureshi explained that in that year the Department had very recently taken over from the Centre the subject of opium and also there was a bad crop. He further stated that the saving was partly due to bad budgeting also. The Committee was satisfied with the first two explanations. As regards bad budgeting the Committee observed that it could be avoided by a little more care and hoped that more vigilance must be exercised by the Department in future. The items were dropped.

2. *Page 5, paragraph 5 read with page 73—Grant No. 4 Provincial Excise Saving Rs. 5,39,482.*—Under this head there was total grant of Rs. 33,18,380 out of which Rs. 27,78,889 were spent resulting in a saving of Rs. 5,39,482. Mr. B.A. Qureshi stated that out of the above saving of Rs. 5,39,482, a sum of Rs. 3,11,382 was saved, as India was unable to supply the quota of opium which Pakistan was to purchase from them. The Committee observed that of all the savings that the Committee came across during the course of its examination of accounts of various Departments, this was the only saving where the Committee felt that the money if it had been normally spent was quite well in not being spent. The Accountant-General pointed that out only a part of the amount had been saved on account of non-availability of opium and the rest of the saving was due to the fact that the right debits were not made at the proper time and which were subsequently reconciled. For the remaining saving of Rs. 2 lakhs, the explanation of the Department was that a part of it (Rs. 68,000) was due to the economies carried out in the Department, a part saved on account of the fact that necessary sanction was not available and the remaining amount was saved because certain posts could not be filled, some furniture not having been purchased and some persons not having been paid their salaries. The Committee observed that all that was more or less on the same lines as the Committee had noticed earlier and that the remarks of the Committee in connection with similar savings under other Heads under similar circumstance applied to the present saving also. Subject to these remarks the item was dropped.

3. *Page 9, paragraph 12(i) read with pages 73 Grant No. 4 Provincial Excise Supplementary Grants proving wholly unnecessary*—Under this head the Department had asked for a supplementary grant of Rs. 2,72,980 which was allowed but there was a saving of Rs. 5,39,482. Mr. B.A. Qureshi, was himself of the view that the explanation furnished by the Department was not satisfactory. The Committee observed that as the saving was on account of non-receipt of opium from India, whatever might be the technical aspect of it, the fact that the saving of money was there was also the fact that the people here did not consume opium. It is a circumstance which was peculiar to the facts of this case only the Committee did not pursue this matter any further.

4. *Page 48-III—Secret Service Expenditure*—The explanation was found to be satisfactory and the item was dropped.

5. *Page No. 70—Note 4—List of remissions and abandonment of claims to revenue*—The explanation was found to be satisfactory and the item was dropped.

6. *Page 74—Note 5—Stock Accounts*—This item related to submission of stock accounts by the Department to the Audit for their examination. Mr. B.A. Qureshi explained that the stock accounts were ready but they were not examined by the Audit for 2 years; and that the stock accounts were submitted to the Audit in March, 1964. Accountant-General, West Pakistan promised to look into the position as to whether the stand taken by the Department for the delay by Audit Department was correct. As for the submission of accounts in March, 1964, after such an inordinate delay, the Committee observed that it was a very extreme case and hoped that the Department will try to see that it should not happen in future.

With these observations the item was dropped.

FOOD DEPARTMENT

1. *Page 7, paragraph 8—Grant No. 843—Capital Outlay on Provincial Scheme of State Trading—Excess Rs. 3,06,43,203*—Under this head there was a total grant of Rs. 41,35,60,460 but a sum of Rs. 44,42,03,863 was spent resulting in excess expenditure to the extent of Rs. 3,06,43,203.

From the explanation furnished by the Food Department and accepted by the Audit, it appeared that a sum of Rs. 6,04,50,000 relating to the head "Advance" which had been booked under this head, did not actually relate to it and if this amount was deleted there would be a saving of Rs. 2,98,06,797, that is, approximating Rs. 3 crores. So the position was that whereas originally it appeared that there was an excess expenditure of Rs. 3 crores in fact there was a saving of roughly about Rs. 3 crores. The Department, therefore, had to explain as to why there was a saving of such a large amount, which in Committee's point of view was bad, if not worse than the excess expenditure. Mr. Faqir Siraj-ud-Din, Secretary Food urged that as the saving was less than 10 per cent no explanation was necessary. The Committee observed that although the Committee did not ask for explanation where saving was less than 10 per cent in the present case, the amount was colossal, amounting to Rs. 3 crores and the Committee considered it advisable to call upon the Department which was not ready with their explanation. It only urged that this saving was due to State Trading account and perhaps less arrival of wheat from abroad to the extent of saving. However, as the Committee could no longer wait for the explanation of the Department, the item should be dropped.

2. *Page 30, paragraph 22(i)—Excess payment of Rs. 3,64,814*—Out of the objected amount of Rs. 3,64,814 the expenditure of Rs. 21,300 had since been verified by the Audit. The Food Department could not give any satisfactory explanation about the balance. Secretary Food stated that records were not available and the Deputy Director, Food, Hyderabad Region, was on the job to conduct an inquiry and to fix responsibility. The Committee was wholly dissatisfied with this explanation. The Committee observed that it should be quite possible for the Department to know as to how the records disappeared, who were the persons responsible for the disappearance of the record and even if the Board had been dissolved, the officials who were responsible for the running of this Board, some of them might be alive while other officers who were at one time serving this Board must be serving in some other Government Departments and even if they were not serving they must also be alive and therefore, if a sincere effort was made to trace the culprits the Committee did not see any reason why no head way should be made. It might be that the entire amount can not be traced and the responsibility in full might not be pinned on each and every one of those who were responsible for it but some of the people could be found out. The Committee was not satisfied that the Department had taken enough pains to conduct an inquiry and fix responsibility on the officials who were responsible for this serious neglect of their duty resulting in a loss of Rs. 3,43,514 to the public exchequer. As the Committee, did not have time to look into this matter further before this year's report is finalized it decided to consider this matter along with the accounts for 1958-59.

The Committee desired that the Food Department should take a very serious view of this matter and expected the Food Department to come before it with complete details explaining as to what were the efforts they made in this respect. The Committee further expected the Department to be able to find out the culprits.

3. *Page 39, paragraph 22 (ii) Excess payment of Rs. 46,733*—Same decision as at item 2 above.

4. *Page 39, paragraph 23—Non-recovery of penalty from contractors and the suppliers*—This item related to recoveries by way of penalties from contractors for contravention of contractual obligations. Secretary Food stated that the

Department was now making efforts to realise these penalties and some progress was made. As the Committee did not have further time to give to the Department to clear this item, it was decided that this matter should also be placed before it along-with the explanations of the Department in respect of Audit objections appearing in the Appropriation Accounts for 1958-59.

The Committee directed the Food Department to ensure that every effort was made to realise or regularise all these penalties and to come before it prepared with the details of the efforts made by them and the Committee made it clear that it would not be satisfied by mere statements that they had done all that they could do and that the efforts bore no fruit. In case the penalties or any part of them is waived, the Committee should be informed as to what were the reasons for the waiver.

5. *Page 39, paragraph 24—Unjustified payment*—The explanation was considered to be satisfactory and the item was dropped.

6. *Page 40, paragraph 25—Advance payment to contractors*—The explanation was considered to be satisfactory and the item was dropped.

7. *Page 40, paragraph 26—Outstanding Recoveries—(i) Clauses (i), (ii) and (iii)*—Same decision as at item No. 4 above.

(ii) *Clause (iv)*—This item related to outstanding recovery pertaining to a sum of Rs. 29,000 paid by the Department to a contractor for the purchase of wheat. The defaulting contractor filed a civil suit against the Government praying that the money was not payable by him. It was decided that action on this item should await the result of the suit.

(iii) *Clause (v)*—Under this head, a sum of Rs. 5,90,500 was recoverable from the defaulting contractors as penalty at the rate of Rs. 1/8 per maund in the case of rice and annas eight per maund in the case of wheat. These amounts were not realised and have been waived by Government. The Committee decided that the Committee would like to know reasons for this waiver when it considers the explanation of the Department in respect of objections in the Appropriation Accounts for 1958-59.

(iv) *Clause (vi)*—This item was dropped subject to audit verification.

(v) *Clause (vii)*—This item was dropped.

8. *Page 41, paragraph 27 Shortage of Stores*—This item related to shortage of various stores of the value of Rs. 64,21,63/8. The Department maintained that empty gunny bags of the value of Rs. 1,800 have been recovered and restored, that the shortage of wheat valuing Rs. 345 was not really a shortage because the shortage was determined on ten percent weighment basis and not on full weighment of stocks; that a sum of Rs. 1,477 on account of shortage of sugar has been recovered and that the remaining shortages are still under investigation. The Committee decided that the Department should recover the remaining articles & their value and the matter be placed before the Committee when it considers the accounts for the year 1958-59.

9. *Page 42, paragraph 28 (i) and (ii)—Loss of Government Stock*—The item was dropped.

10. *Page 48—Schemes of State Trading*—This item related to preparation of running accounts a large number of which were very badly in arrears. The Secretary Food stated that the Department was doing its best to bring them up-to-date. It was decided that the Food Department should get the matter cleared with Audit and place it before the Committee when it considers the accounts for the year 1958-59.

11. *Pages 58—61, (iv), (a), (b), (c) and (d)—Delay in disposal of Inspection Reports and Audit Notes*—These items were dropped.

HEALTH DEPARTMENT

1. *Page 5, paragraph 5—Grant No. 20—Health Services—Saving Rs. 45,35,624*—In this item there was a saving of Rs. 45,35,624 out of the grant of Rs. 3,81,00,710. The Secretary, Health Department, explained that out of this amount of a sum of Rs 36,11,350 was surrendered as the Department could not appropriate the same on the account of non-availability of staff and the remaining about rupees nine lakhs could not be spent as part of the money meant for the purchase of equipment which could not be purchased on account of procedural delays and the remaining amount of Rs.6,45,000 could not be spent as this amount was meant to be spent on the salaries of the staff which could not be recruited. He could not say as to when the necessary advertisements for recruiting this staff were made nor he was in a position to say as to when the Department made a requisition to the Public Service Commissioner for that part of the staff which the Department had to recruit through the Public Service Commission. He was also unable to inform the Committee as to when this Department made the indent on the purchasing Departments for the supply of stores in England which could not be made on account of procedural delay. This being so the Committee found the explanation submitted to it was devoid of particulars. The Committee observed that as the Health Department was a nation building Department savings in this departments had to be looked upon with extreme dissatisfaction unless a very satisfactory explanation was available for the non-expenditure of the amount ear-marked by the Legislature for this health-building service. The Committee was anxious to find out full and proper justification for the non-expenditure to satisfy itself regarding the capabilities of the spending authorities in respect of proper disbursement of the funds placed at their disposal for running this Department but the Committee did not have time at its disposal to allow the Health Department further time to dig out these important particulars and, therefore, decided that the Audit should take it up with the Health Department and if the audit was not satisfied with the explanations the matter be placed before the Committee when it examines the accounts for the year 1958-59.

2. *Page 42, paragraph 29 (i), (ii), (iii) and 30 (i)—Misappropriation of Cash and Excess payment*—Explanations regarding these four items were considered to be satisfactory and the items were dropped.

3. *Page 42, paragraph 30(ii)—Overpayment of Rs. 9,000 to 150 nurses*—Secretary Health stated that this money was paid to Nurses during their period of leave as mess allowances, that a part of it had been recovered from them and the remaining mony was to be recovered; and that it will be recovered during the current year in lump sum or by installments as the case may, be. The Committee decided that Audit should verify the recoveries. Subject to this the item was dropped.

4. *Page 43, paragraphs (31)(i) and (ii)—Unauthorised Expenditure*—These item were dropped.

5. *Page 46, Chapter (II) paragraph (i)—Audit of Grant in aid*—The item was dropped.

6. *Pages 60-61, paragraph 16(iv) (a), (b) (c) and (d)—Delay in disposal of Inspection Reports and Audit Notes*—The Health Department claimed that all pending audit notes mentioned in Appropriation Accounts for 1957-58 had been replied to. The Committee decided that Audit should verify this. The item was dropped subject to this direction.

III. The Committee decided to examine the items of the Health Department relating to Public Health Engineering in its meeting to be held at 4-30 p.m.

IV. The Committee then adjourned to meet again at 4-30 p.m.

LAHORE:

The 11th August, 1964

S. M. SOHAIL

CHAIRMAN

Standing Committee on Public Accounts

PROCEEDINGS OF THE MEETINGS OF THE STANDING COMMITTEE
ON PUBLIC ACCOUNTS HELD ON THE 10TH AUGUST, 1964 FROM
4.30 to 8.00 P.M. AND ON 11TH AUGUST 1964 FROM
12 NOON TO 1.15 P.M. IN THE TEA ROOM OF THE ASSEMBLY
BUILDING, LAHORE.

I. The following were present :—

(1) Mr. S. M. Sohail, M.P.A.	Chairman.
(2) Sardar Ahmed Ali, M. P. A.	Member.
(3) Khan Ata Hussain Khan, M. P. A.	Member.
(4) Mr. Ghulam Muhammad Shah, M. P. A.	Member.
(5) Mr. Muhammad Akbar Khan of Paniala, M. P. A.	Member.
(6) Chaudhri Muhammad Iqbal, Secretary, Provincial Assembly of West Pakistan.	<i>Ex-officio</i> Secretary.
(7) Mr. S. M. Nasim, C.S.P., Additional Finance Secretary to Government of West Pakistan.	Expert Adviser.
(8) Mr. Riaz-ul-Hasan, P. A. & A. S. Director Audit and Accounts (Works) West Pakistan.	By invitation.
(9) Dr. Amir Muhammad Khan, Secretary to Government of West Pakistan, Health Department along with Chief Engineer, Public Health Engineering Department.	By invitation.
(10) Mr. Rafiq Inayat, C. S. P., Secretary to Government of West Pakistan, Communications and Works Department alongwith Chief Engineer, Buildings and Roads Department.	By Invitation.

HEALTH DEPARTMENT

II. The Committee considered the explanations of the Health Department in respect of the following Audit objections pointed out in the Appropriation Accounts for 1957-58.

1. *Page 57, para 18 (iii)—Arrears in account documents and returns.*—The explanation was considered to be satisfactory and the item was dropped.
2. *Pages 61-62, para 18 (iv)—Delay in disposal of Inspection Reports and Audit Notes.*—The explanation was considered to be satisfactory and the item was dropped.
3. *Page 173, para 8—Sanction Reserve Limit.*—The explanation was considered to be satisfactory and the item was dropped.

AGRICULTURE AND INDUSTRIES AND COMMERCE DEPARTMENT

III. (1) The Committee in its meeting held on 28th July, 1964 had called for the reports from Agriculture, and Industries and Commerce Department for latches on the parts of these departments for which various works could not be undertaken by the Communications and Works Department resulting in the saving of sanctioned grant. Secretary of the Committee sent a letter on 5th August 1964, to each of the two departments for submission of their reports to the Committee in the meeting fixed for the 10th August, 1964. This letter was neither acknowledged by the Agriculture Department nor any reply was received with the result that the Committee could not satisfy itself whether the delay by this Department in the grant of administrative approval and the selection of sites was justified. The Committee was thus handicapped on account of this default.

(2) The Committee observed that while examining the accounts pertaining to the Agriculture Department it had noticed that this Department had

been negligent and careless in twice ignoring the Audit and not complying with the Audit objections for very long periods. This attitude of this Department was further illustrated by the present conduct when it failed even to acknowledge the letter written by this Committee. It appeared to the Committee that there was something very much rotten in that Department somewhere which would need care-taking.

(3) The Committee further observed that the Agriculture, and Industries and Commerce Departments did not submit their explanations in respect of various works carried out by them departmentally which explanation was also called for by the Committee in its meeting held on 28th July 1964. As these Departments carried out the work departmentally there was a saving of grants allotted for this purpose to the Communications and Works Department. The Committee could not satisfy itself whether Governor's sanction was obtained by these departments for carrying out the works departmentally.

(4) Committee decided to refer to this matter in the Report.

COMMUNICATIONS AND WORKS DEPARTMENT

IV. The Committee then resumed consideration of the reasons for the saving of Rs. 7,65,000 out of the grant sanctioned for the construction of Quetta-Fort Sandaman Road. The Committee had considered this item at its meeting held on 29th July, 1964, when Mr. Saeed Ahmad, Chief Engineer, Quetta region, showed certain documents urging that actually instead of there being a saving there was excess expenditure. The matter did not proceed further. The Committee decided that the Audit should scrutinise the new position taken up by the Department. As the Committee could not wait for this scrutiny as it proposed to submit the report in respect of Appropriation Accounts for the year 1957-58 to the Assembly shortly, the Committee further decided that this matter be placed before the Committee when it considered the accounts for the next year if the Audit finds that the position taken up by the Department was not correct.

V. The Committee then considered the remaining item of the saving. Page 5, para 5 read with page 197—*Grant No. 33—Civil Works Head "80-Town Development Schemes"*—Saving Rs. 82,16,634.

A total sum of Rs. 2,68,73,700 was granted for the Town Development Schemes, out of which a sum of Rs. 1,12,36,000/ was surrendered and thereafter there was a further saving of Rs. 82,16,634/ making a total of saving of Rs. 1,94,53,234. Thus the Department spent only a sum of Rs. 74,20,466.

The Committee observed that as these were nation-building works, the Department should have spent the money and completed the works but it was really sad that this could not be done. The Department pleaded the usual story of administrative approval, acquisition of site and other bottle-necks which was pleaded before. The Committee decided to refer to it in the report.

VI. The Committee then considered the explanation of the Communications and Works Department on other audit objections and irregularities pointed out in the Appropriation Accounts for 1957-58.

ITEMS OF NORTHERN REGION

1. *Pages 12—14, para 17 (a) (1)—Expenditure on works in anticipation of technical sanction to estimates.*—There were 2,349 cases where works of the value of Rs. 5,77,69,389 had been undertaken by the Department without any technical sanction to estimates. The Committee had considered this matter at its previous meeting, taken a serious view of the situation and asked for the comments of the Department. It now appeared to the Committee that the Department had been quite vigilant as out of this large number of cases it cleared up the whole mess and only 396 cases remained outstanding. The Secretary of the Department assured the Committee that he would continue to give his personal attention to this matter and see to it that this small drag was also cleared in a short

time. The amount of money involved in the remaining works, technical sanction of which was to be regularised was Rs. 62,90,326. The Committee therefore dropped the item subject to the action assured by the Secretary of the Department.

The Committee, however, decided to refer to the problem which arose out of these works being undertaken without technical sanction alongwith all other similar cases of other Departments in the Report.

20 Pages 57—61, para 18 (iii) and (v).—Arrears in accounts, documents and returns.—(1) The Committee referred to the proceeding recorded at its previous meeting under this head and also to the findings of the *ad hoc* Committee presided over by the Governor and the observations made at these two meetings. The *ad hoc* Committee, as also this Committee, had directed that severe disciplinary action in two or three cases should be taken so that it might serve as eye-opener for others. The Committee was informed by one or two Chief Engineers that they had issued a warning with the phraseology—"You are warned to be careful in future"—The Committee did not accept this as proper disciplinary action envisaged in the aforesaid directions. The Committee stressed on the Secretary of the Department the desirability that the decisions taken by the *ad hoc* Committee presided over by the Governor and by this Committee at its previous meeting should receive his personal attention and he assured the Committee that he would look into it personally and see to it that severe disciplinary action was taken against two or three cases to serve as an eye-opener for others. The Committee asked him to report the fact of the action having been taken to the Committee as soon as possible so that the Committee might be in a position to incorporate it in the report failing which the Committee would take it that in spite of its best endeavours no disciplinary action was taken by the Department.

(2) The Deputy Secretary of the Communications and Works Department stated—

"the total number of outstanding documents/returns upto 1961-62 was shown as 1782 out of which 1634 have been cleared leaving a balance of 148 which are under action and will be cleared as soon as possible. In the latest audit Comments the Audit has shown the number of outstanding documents/returns as 651. The difference of 503 cases represents the subsequent clearance. The position was discussed with Audit on 6th August 1964 and the Audit desired that the reconciliation be conducted with Audit in due course. Since the same position of awaited documents/returns will also be discussed in the Appropriation Accounts for 1958-59 it is requested that these paras may kindly be dropped";

He placed before the Committee a statement showing the explanatory position of the documents/returns. This statement is at Appendix A. Considering the fact that a huge mess had been cleared up and out of 1,782 cases only 148 remained to be cleared in respect of such documents/returns, the Committee appreciated that a very substantial work had been done and for that the Committee commended the officers of the Department who did it. The Committee, however, observed that if due attention would have been given to the subject earlier this thing could have possibly been done earlier. The Committee desired the Secretary of the Department to keep a vigilant eye so that such outstanding documents should not accumulate in future and on the contrary these which were outstanding got cleared up as soon as possible.

(3) The Chief Engineers stated that they had seriously taken up the work of clearing all these arrears and they were quite alive to the importance of the fact of the clearance of Audit notes as early as possible, as also of furnishing all other document of accounts necessary for Audit verification. They also made

a note of the observation of the *ad hoc* Public Accounts Committee and of this Committee on this matter but they felt by giving that much of attention, which they were giving to the clearnace of arrears, the work of the current year might be partially neglegeted that this was likely to happen inspite of their best efforts to the contrary and with the present staff it would not be humanly possible to give the same attention to the current work if they were to concentrate their full attention to the arrears that had accumulated and multiplied for the past full one decade. The Committee was quite in sympathy with this line of approach for giving further hands to these Departments for one year as required by the different Chief Engineers. The Committee did not know as to what would be the cost of this further establishmeut, but felt that the cost would be quite commensurate with the requirements and would effect much greater efficiency, as also saving and contribute to development than taking into consideration the quantum of the cost involved. The Committee recommended that the Communication and Works and Finance Department should look into it and wherever necessary give extra hands and do that expeditiously so that this work might not suffer.

3. *Page 168, item 4—Outstanding balances under Suspense.*—Under this Head the opening balance of suspense was Rs. 9,52,77,837 and the closing balance was Rs. 11,88,13,255 and thus the increase during the year in the suspense account was to the tune of Rs. 2,35,35,418. This suspense accounts is a type of account which defies the Audit because it can be cleared only when the suspense itself is cleared. This comprises of losses, shortages, misappropriations, defalcations arrears and what not. In view of the fact that this account had not been cleared by the Andit the Committee could not go into its merits at all. The Secretary of the Department has, however, assured the Committee that he would sit along with Director of Audit and Accounts (Works) and try to clear as much of the mess as possible. This at this moment appeared to be the best that could be done about it. Committee hoped their labours would bear fruit and this suspense account would be minimized to the maximum. The Committee decided that this might come up before it when it considers the accounts for the year 1958-59.

4. *Page 173 para 8—Store Account for the year 1957-58.*—(1) The Committee was informed that the sanctioned Reserve Limit has now been increased from Rs. 2,74,65,836 to Rs. 6,19,91,438 and the closing balance on 31st March 1958 was Rs. 7,26,28,532 including Public Health. The Committee was further informed that the Sanctioned Reserve Limit of stock can now be fixed by the Chief Engineers themselves. The reason for this procedure being adopted was that as the Chief Engineers were incharge of their work they were best in a position to know as to how much should be their Sanctioned Reserve Limit of stock and further they would be liable to all criticism and disciplinary action in case they sanctioned their own reserve in a perfunctory or careless manner so as to start the works in their charge.

(2) In view of the matter the amount aggregating to about a crore or more has still to be reconciled as being the excess of the closing balance over the Sanctioned Reserve Limit of the stock. The Committee observed that there was a scope of all types of losses, misappropriations, defalcations, arrears and what not, unless there was a full and complete reconciliation with the Audit of the item under this head. The Secretary of the Department under took to do it with the Audit and the Committee thought this would be the best that could be done in the matter. The Committee hoped that it would be possible for the Departments to reconcile but if it is not reconciled, the matter should come up before the Committee when it considers the account for the year 1958-59.

5. *Page 174, para 10—Sales on Credit.*—The explanation was considered satisfactory and the item was dropped.

6. *Page 174 para 11—Fictitious Stock Adjustment.*—The explaration was considered satisfactor y and the item was dropped.

ITEMS OF CENTRAL REGION

7. *Page 12, para 17 (a) (1)—Expenditure on Works in anticipation of technical sanction.*—Same remarks as at item I above.

8. *Page 14, para 17 (a) (2) (i)—Excess payment of Rs. 2,404.*—The item was dropped.

9. *Page 15, para 17 (a) (3) (4)—Shortage of Timber worth Rs. 10,997.*—In this case timber worth Rs. 10,997 was noticed to have been stolen in 1954-55. The Audit made its observations and when the matter came up before the Committee in its meeting held on 1st October 1963, the Committee decided that a report be asked from the relevant Department as to what disciplinary action if any, they had taken in the cases enumerated therein and also to state in which of the cases the moneys or the stores had been realised and if no disciplinary action was taken whether any disciplinary action was contemplated and the reasons for taking no action so far. The Secretary of the Department then called upon the Chief Engineer, Bahawalpur, to make an inquiry. The Chief Engineer concerned did hold the inquiry and submitted his report bringing out the fact that further action could be taken by the Chief Engineer, Lahore and accordingly the papers were forwarded to the Chief Engineer, Lahore. The Chief Engineer, Lahore who has appeared before the Committee informed the Committee that he has again started the inquiry into the facts and he has handed over the paper to the Superintending Engineer for his report. The Committee disagreed with the procedure of endless reports in a case of theft and pilferage which took place as far back as the year 1954-55. The Committee observed that it expected action against the delinquents, that this was one of those cases which illustrate how even in suitable cases action is delayed and delayed for decades till action could almost become impossible. The Committee felt quite helpless in the matter in as much as it did all that it could do by drawing the attention of the Department by recording the proceedings of its meeting held on 1st October 1963 and giving directions to clear up the matter. The Committee hoped that the Chief Engineer, Lahore, will take firm and suitable action and be able to report the same to the Committee when it meets to consider the accounts for 1958-59. The Committee decided to refer to this in the report to the Assembly.

10. *Page 15, para 17 (a) (3) (6)—Shortage of Stores worth Rs. 2,015.*—The item was dropped.

11. *Page 17, para 17 (a) (4) (8)—Recovery on account of working charges of concrete mixers.*—The item was dropped.

12. *Page 17, para 17 (a) (4) (9)—Undue financial aid to the contractors worth Rs. 3,005.*—The item was dropped.

13. *Page 18, para 17 (a) (5) (1)—Fictitious Stock adjustment amounting to Rs. 1,04,372.*—The item was dropped.

14. *Page 18, para 17 (a) (6) (3)—Fictitious stock adjustment worth Rs. 14,573.*—The item was dropped.

15. *Page 18, para 17 (a) (5) (6)—Fictitious Stock adjustment worth Rs. 49,901.*—The item was dropped.

16. *Page 18, para 17 (a) (5) (7)—Fictitious Stock adjustment worth Rs. 6,94,948.*—The item was dropped.

17. *Page 18, para 17 (a) (5) (9)—Fictitious Stock adjustment worth Rs. 93,505.*—The item was dropped.

18. *Page 19, para 17 (a) (6) (2)—Misappropriation of material worth Rs. 12,800.*—As this item needed reconciliation between the Department and the Audit the Committee decided that in case it was not settled between them it should come up before the Committee when it considers the Accounts for the year 1958-59.

19. *Page 19, para 17 (a) (7)—Short Recovery.*—In this case the Audit Department made out a case against the Executive Engineer, Rawalpindi, for supplying cement at the rate of Rs. 2/11 per CWT instead of Rs. 4/3 CWT. The objection based on the premises that a letter in this behalf was issued by the Government on 29th January 1948 which must have reached the Executive Engineer when he issued the tender on 10th March 1948. The Committee observed that unless it was confirmed that the Executive Engineer, even after the receipt of this letter, misbehaved and thereby caused loss to the Government, no action could be taken against him. It appeared from the file of the Audit that Mr. Tarin the then S. E. Rawalpindi made a report to the Chief Engineer that the Executive Engineer was at fault in getting into an agreement at a loss of Rs. 1/8/- per bag making a total loss of Rs. 48,522. The Committee decided that this matter should be investigated by the Department and if the Department or the audit find that the Executive Engineer was responsible, the Department should take disciplinary action against the officer concerned; and that if the matter is not settled between the Audit and the Department the matter should come up before the Committee when it examines the Account of the year 1958-59.

20. *Page 22, para 17, (a) 14) (3)—Irregular payment of Rs. 2,377.*—The item was dropped.

21. *Page 22, para 17, (a) 14 (4)—Irregular payment of Rs. 1,670.*—The item was dropped.

22. *Page 22, para 17(a) 14(5)—Cost of carriage of material from godowns to the site of works.*—In this case a sum of Rs. 20,658 was paid to the contractor for carting material to the site of work. This was in contravention of the agreement as the contractor was to carry the material to the site of work himself. This was pointed out by the Audit. Inspite of the attention of the Department being drawn by the Audit to this aspect of the matter, a further sum of Rs. 9,238 was again paid towards the same purpose. The Committee at its meeting held on 1st October 1963 decided that a report be asked for from the relevant Departments as to what disciplinary action; if any, they had taken and also to state if the moneys had been realised and if no disciplinary action was taken whether any disciplinary action was contemplated and the reasons for taking no action upto then. The Committee was informed that an officer had been appointed in April 1964 to conduct an enquiry, this officer did not submit any interim report. The Committee hoped that this enquiry will be completed as early as possible. The Secretary of the Department assured that he will take personal interest in the matter and see that the enquiry is pursued and brought to a just conclusion. It was pointed out to the Committee that the whole amount was not towards the carriage of material but a part of this amount was due from the contractor; that arbitration proceedings between the Government and the contractor regarding the justification whether this money was or was not due were underway; that the action could not be taken against the officer till such time as the proceedings were not completed. The Committee observed that the arbitration proceedings had nothing to do with the fixing of responsibility on officers regarding any delinquency or laches on their part in performing their duty; that it was the Department alone which can fix the responsibility. The Secretary of the Department agreed with this observation and promised that the Department will see that this enquiry was concluded as early as possible.

23. *Page 22, para 17 (a) 14 (6)—Carriage Charges of bricks.*—Same remarks as at item 22 above.

24. *Page 23, para 17 (a) 15 (2)—Cost of material not recovered Rs. 86,487—*
Same remarks as at item 22.

25. *Page 23, para 17 (a) 15 (5)—Cost of material not recovered Rs. 8,230—*
Same remarks as at item 22 above .

26. *Page 23, para 17 (a) 15 (6)*—*Provision for credit Rs. 8,550.*—Same remarks as at item 22 above.
27. *Pages 57—61, para 18 (iii) and (v)*—*Arrears in Accounts, documents and returns and delay in disposal of Inspection Reports and Audit Notes.*—Same remarks as at item 2 above.
28. *Page 168 item 4*—*Outstanding balance under Suspense.*—Same remarks as at item 3 above.
29. *Page 173, para 8*—*Stores Accounts.*—Same remarks as at item 4 above.
30. *Page 174, para 10*—*Sales and Credit.*—The item was dropped.

ITEMS OF BAHAWALPUR REGION

31. *Page 12, para 17 (a) (1)*—*Expenditure on Works in anticipation of technical sanction to estimates.*—Same remarks as at item 1 above.
32. *Page 14, para 17 (a) 2 (5)*—*Excess payment.*—The item was dropped.
33. *Page 14, para 17 (a) 2 (6)*—*Double payment.*—The item was dropped.
34. *Page 15, para 17 (a) 3 (1)*—*Shortage of stores Rs. 1,387.*—The item was dropped.
35. *Page 15, para 17 (a) 3 (2)*—*Shortage of stores worth Rs. 28,181.*—The item was dropped.
36. *Page 15, para 17 (a) 3 (4)*—*Shortage of timber worth Rs. 10,997.*—The item was dropped.
37. *Page 15, para 17 (a) 3 (7)*—*Shortage of stores worth Rs. 2,16,364/14.*—A sum of Rs. 81,283 out of a total of Rs. 2,16,364 which was originally to be recovered could not be recovered. The Committee decided that the Department should take steps to have the money recovered and also try to fix responsibility on the persons who were responsible for it and take suitable action against them. Subject to the above remarks the item was dropped.
38. *Page 15, para 17 (a) 3 (8)*—*Shortage of material.*—In this case material worth Rs. 59,149/0/6 was found short. A sum of Rs. 3,948/0/6 has been recovered. The attention of the Department was drawn to expedite the recovery of the balance and fix responsibility and take suitable action against the persons concerned. The Committee was informed that five overseers were responsible for this bungle. The Committee decided that the case of each individual overseer should be examined and exemplary punishment be given to those who are found guilty. Subject to this the item was dropped.
39. *Page 15, para 17, (a) 3 (9)*—*Shortage of Stores worth Rs. 13,000.*—In this case a sum of Rs. 13,000 could not be recovered from a Public Works Department, Sub-Divisional Officer and a Store-Keeper. No action was taken against these two officials. The Committee was informed that recovery orders have been passed and the amount was being realised in monthly instalments but the amount of the instalments was not intimated to the Audit. The Committee decided that the matter should be verified by the Audit and come again before it when it examines the accounts for 1958-59.
40. *Page 16, para 17 (a) 3 (10)*—*Concealment of Shortage of material.*—In this case a sum of Rs. 1,036/4/0 was to be recovered from Mr. Riazul Haq, Assistant Store-Keeper and Mr. Nasim Akhtar, Tubwell Superintendent. The Committee decided that the recovery should be expedited and the Audit should take up this matter with the Department and in case the matter is not settled it should come before the Committee which it examines the account of the next year.
41. *Page 16, para 17 (a) 3 (11)*—*Shortage of stocks Rs. 2,519.*—The item was dropped.

42. *Page 17, para 17 (a) 4 (10)—Undue financial aid to contractor.* Rs. 22,699.—The item was dropped.
43. *Page 18, para 17 (a) 5 (4)—Fictitious stock Adjustment.*—The item was dropped.
44. *Page 18, para 17 (a) 5 (5)—Fictitious stock adjustment.*—The item was dropped.
45. *Page 18, para 17 (a) 5 (8)—Fictitious stock adjustment.*—The item was dropped.
46. *Page 19, para 17 (a) 6 (1)—Mis-appropriation of Material amounting to Rs. 13,110.*—The item was dropped.
47. *Page 17, para 17 (a) 6 (3)—Mis-appropriation of material.*—In this case brass sheets worth Rs. 17,388 were alleged to have been misappropriated by some officials of the Public Works Department. The Department explained that it was not a case of misappropriation; that the material was issued to the contractor against an approved indent, but the material was not entered in any Stock Register by the Sub-Divisional Officer who has been charge-sheeted. As regards recovery a sum of Rs. 10,115 has been recovered from the contractor and only a sum of Rs. 7,273 remained to be recovered. The Chief Engineer of the Region stated that the balance was recovered. The Committee decided that the Audit should take up the matter with the Department and if the item is not settled it should come up before the Committee when it considers the accounts for the year 1958-59. Subject to this the item was dropped.
48. *Page 21, para 17 (a) 11—Splitting up purchase orders and work orders to avoid sanction of higher authorities.*—The item was dropped.
49. *Page 21, para 17 (a) 12—Irregular expenditure not recovered.*—The item was dropped.
50. *Page 22, para 17 (a) 14-(1) Stacking charges.*—The item was dropped.
51. *Page 23, para 17 (a) 14 (7)—Irregular payment.*—In this case a sum of Rs. 9,058 was paid to a contractor which was considered to be irregular by the Audit. The facts of the case were that the Superintending Engineer deleted from the agreement a paragraph under which the earth to be used on the work was to be taken from private land owners from their land adjoining the road. According to the stipulation in the agreement executed with the contractor for this work no compensation was to be paid to him from making payment to the land owners. On the completion of the work, this condition was deleted from the agreement by the Superintending Engineer and an irregular payment amounting to Rs. 9,058 was made to the contractor on this account. *Prima facie*, it was not open to the Superintending Engineer to delete any clause in the agreement to the disadvantage of the Government. The Department should settle this matter with the Audit and finalise it amongst themselves. Subject to these remarks, the item was dropped.
52. *Page 23, para 17 (a) 15 (1)—Cost of cement worth Rs. 1,738 not recovered.*—The item was dropped.
53. *Page 23, para 17 (a) 15 (3)—Cost of material worth Rs. 10,940 not recovered.*—It is a case where cost of material amounting to Rs. 10,940 issued to contractors was not recovered from the running payment made to them with the result that their final bills worked out to minus figures. The Committee was informed that as many officers as have been warned and the warnings have been placed on their personal files. The entire amount has been recovered from the deposits of the contractor. The Committee did not consider any further action necessary and dropped the item.

54. *Page 23, para 17 (a) 15 (4)—Cost of material not recovered.*—In this case there was a short recovery of a sum of Rs. 10,749. A sum of Rs. 2,580 has already been recovered. The Committee decided that steps should be taken to recover the balance under the rules and after fixing responsibility suitable action should be taken against the officer concerned. Subject to these remarks, the item was dropped.

55. *Page 24, para 17 (a) 16 (1) and (2) Damarrage Charges.*—(1) In the first case a sum of Rs. 3,465.9-0 was paid by the Department to the Railways by way of damarrage for the goods not being cleared within time. The Department conducted an enquiry into the matter. It appeared that wharfage became payable on account of 30 wagon load of bajri being unloaded under extra ordinary circumstances when derailment occurred. Instead of the bajri being unloaded on the leased land it was unloaded on some other land where wharfage became payable. The Department maintained that no official was at fault. The Secretary of the Department stated that a full and complete enquiry was conducted by the Department and after enquiry it was found that the Sub-Divisional Officer was not responsible. The item was therefore dropped.

(2) Under the second item only a sum of Rs. 981.00 was to be recovered and the rest of the amount was satisfactorily explained. The item was dropped.

56. *Page 24, para 17 (a) 17 (1) and (2)—Non-Recovery of Government dues.*—(1) In the first case rent amounting to Rs. 9,621 was to be recovered, out of which a sum of Rs. 5,225/14 has been recovered and the balance of Rs. 4,395/86 was to be recovered from the Hindus who migrated to India. The matter was dropped.

(2) In the second case sum of Rs. 64,893.00 was to be recovered as outstanding rent out of which a sum of Rs. 52,991 has already been recovered and the balance of about Rs. 11,906 was to be recovered. The Committee decided that Department should pursue its efforts to recover this amount. Subject to this item was dropped.

57. *Pages 57—62, para 18 (iii) and (v)—Arrears of Accounts Documents and return.*—Same observations as at item 2 above.

58. *Page 168, para 4—Suspense.*—Same observation as at item 3 above.

59. *Page 173, para 8—Stores Accounts.*—Same observations as at item 4 above.

60. *Pages 173-174, para 9—Delay in recovery of cost of material found short.*—Under this head a sum of Rs. 53,137 had to be recovered on account of shortage of material from the defunct Public Health Division for the year 1957-58. It was stated on behalf of the Department that except for a sum of Rs. 7,067.00 the rest of the amount was settled; that the amount of Rs. 7,067 was due from Messrs. Akhtar Ali and Masood Akhtar, Overseers. The Committee decided that item should be cleared by the Department with the Audit and if it is not cleared, the matter should be brought before the Committee when it considers the accounts for the year 1958-59.

61. *Page 174, para 10—Sales on Credit.*—As the amount has been recovered the item was dropped.

ITEMS RELATING TO SOUTHERN REGION

62. *Page 12, para 17 (a) (1)—Expenditure on Works in anticipation of Technical Sanction.*—The same observations as at item 1 above.

63. *Page 14, para 17 (a) 2 (2) (3) and (4)—Excess payment.*—(1) In the first case a sum of Rs. 26,062/00 which was paid in excess has been recovered. The Sub-Divisional Officer concerned has left the service and the benefit of pension has been denied to him. The matter was dropped.

(2) In the second case the amount involved viz. Rs 825 has been recovered. As the officer concerned has died no further action could be taken. The item was dropped.

(3) In the third case also the amount involved viz., Rs. 50,089 has been recovered. The item was dropped.

64. *Page 15 para 17 (a) 3 (3) and (5)—Shortage of stores.*—(1) In the first case steel worth Rs. 20,908/00 was found short. The Department has fixed the responsibility for the shortage worth Rs. 5,641/00 which was being recovered. For the balance the contention of the Department was that there was shortage in paper only, that is, there was discrepancy in accounting which has since been rectified. The Audit maintained that the transfer entries could not be accepted as the clinching issue till such as it was not accepted by, Liaquat Medical College Division. The Chief Engineer, who was present in the meeting stated that he personally went to the Executive Engineer of Liaquat Medical College Division who accepted it. Accepting this statement, the matter was dropped.

(2) The second case related to the recovery of Rs. 8,555/00 partly on account of shortage of teak wood and partly on account of shortage of 593 cement bags. Out of this amount a sum of Rs. 538.00 has been recovered from the contractor and for the balance the Department has written to the Deputy Commissioner to realise it as arrears of revenue. The item was dropped.

65. *Page 16, para 17 (a) 4 (3) (4) (5) (6) and (7)—Undue financial aid to the contractors.*—(1) first related to the recovery of a sum of Rs. 34,773/00. The amount has since been recovered and the Sub-Divisional Officer has been warned. The item was dropped.

(2) The second item related to the recovery of Rs. 4,754.00 which amount has since been recovered. The item was dropped.

(3) In the third case a sum of Rs. 1,23,751 was to be recovered from the contractors and the whole amount has been recovered. The item was dropped.

The amount related to an excess payment by an Executive Engineer to a contractor. The Department explained that, after inquiry, they have found that there was no mala-fide intention involved and actually it was a case of bona-fide miscalculation. In these circumstances no further action was considered necessary.

(4) In the forth case there was the question of recovery of a sum of Rs. 1,04,580. The amount has since been recovered and disciplinary action has been taken against the officer concerned. The item was dropped.

(5) In the fifth case a sum of Rs. 38,641 was to be recovered and which amount has since been recovered. Suitable disciplinary action has been taken against the official concerned. The item was dropped.

66. *Page 20, para 17 (a) (8)—Outstanding recoveries against contractors.*—This item also related to an excess payment to a contractor to the tune of Rs. 1,77,774 which has been recovered. Disciplinary action has been taken against the official concerned. The item was dropped.

67. *Page 20, para 17 (a) (9)—Loss of Stores.*—The explanation was considered to be satisfactory and the item was dropped.

68. *Page 20, para 17 (a) 10—Overpayments.*—The explanation was considered to be satisfactory and the item was dropped.

69. *Page 57, para 18 (iii) and (v)—Arrears in accounts, documents and returns and audit and inspection notes.*—Same observations as at item 2 above.

70. *Page 168, para 4—Suspense Account.*—Same observations as at item 3 above.

71. *Page 173, para 8—Stores Accounts.*—Same observations as at item 4 above.

72. *Page 174, para 10—Sales on Credit.*—The explanation was considered to be satisfactory and the item was dropped.

73. *Page 12, para 17 (a) 1—Expenditure on works in anticipation of technical sanction to estimates.*—Same remarks as at item 1 above.

74. *Page 24, para 17 (a) 17 (3)—Non-recovery of Government dues.*—As far as this item was concerned Government has gone to the court for the recovery of the arrears of rent. Therefore, the decision of the court will have to be awaited.

75. *Pages 67-68, para 18 (iii)—Arrears in accounts, documents and returns—* Same remarks as at item 2 above.

76. *Pages 61-62, para 18 (v)—Delay in disposal of inspection reports and audit notes.*—Same remarks as at item 2 above.

77. *Page 168, para 4—Suspense.*—Same remarks as at item 3 above.

78. *Page 173, para 8—Store Accounts.*—Same remarks as at item 4 above.

79. *Page 174, para 10—Sales on Credit.*—The recovery has been made. Item was dropped.

BUILDING AND ROADS RESEARCH LABORATORY LAHORE

80. *Page 22, para 17 (a) (14) (2)—Irregular payments.* The explanation was considered to be satisfactory and the item was dropped.

VII. The Committee then adjourned to meet again on 2nd and 3rd September, 1964 to consider the remaining items pertaining to Commercial Accounts for the year 1957-58.

LAHORE:

Dated 11th August 1964.]

S. M. SOHAIL

Chairman,

Standing Committee on Public Accounts

APPENDIX 'A'

Para 18 (iii) for 1957-58

Name of Region	Page of working papers	Inspection	Audit Notes	Test Audit Notes	Stock returns	C & R A/c/s.	Form 46/91	Form 26/51	Schedule Rent of Bridges.	Sus-pense Schde- due	M & M Returns	Grand Totals
(A) Outstanding as per proceedings of the meeting of P. A. C. for Feb. 1952.	..	285	449	30	141	65	53	92	41	63	153	1,762
(B) Cleared by C. & W. Department.	..	247	812	31	93	55	50	92	59	63	161	1,634
(C) Still outstanding under action :—				..	4	4
Peshawar .. P.1 B & P 2				..	6	29	6	8	..	2	..	2
Lahore .. L-25 to 33-A				26	28	..	1	103
Rabwahpur B-48 to 46				10	1
Hyderabad .. H-20 to 21				10
Quetta .. Q-3				18	8	..	4	5	30
Total outstanding ..		38	36	8	48	11	3	..	2	..	2	148
Outstanding as per statement of Audit		213	215	13	145	34	25	2	4	651
Total returns documents cleared ..		1684										

503(651,148) returns/documents were cleared after the date the statement was compiled by the Audit. The position will be reconciled with the Auditors discussed in a meeting with Audit on 6th August, 1964.

**PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE
ON PUBLIC ACCOUNTS, HELD ON 26TH SEPTEMBER, 1964
AT 9.00 A. M. IN THE 'TEA ROOM' OF THE ASSEMBLY BUILDING, LAHORE.**

I. The following were present :—

(1) Mr. S. M. Sohail, M. P. A.	..	Chairman.
(2) Khan Ata Hussain Khan, M. P. A.	..	Member.
(3) Mr. Muhammad Akbar Khan, M. P. A.	..	Member.
(4) Sardar Ahmed Ali, M. P. A.	..	Member.
(5) Chaudhri Muhammad Iqbal, Secretary, Provincial Assembly of West Pakistan.		<i>ex-Officio Secretary.</i>
(6) Mr. S. R. Poonegar, C. S. P., Deputy Secretary, to the Government of West Pakistan, Finance Department.		Expert Adviser.
(7) Mr. S. M. A. Sabzwari, P. A. & A. S. Accountant General, West Pakistan.		By invitation.
(8) Mr. I. U. Khan, Member Board of Revenue alongwith Inspector General of Registration.		By invitation.

II. The Committee then re-considered the explanation of the Revenue Department (I. Gs. of Registration) in respect of Appropriation Accounts for 1957-58 [page 9, para 12 (1)].

The Inspector-General Registration, Southern Zone, was present. He explained that the saving of Rs. 6,800 was due to adjustment of arrears of pay and some other factors which have since been explained to the Audit Department.

The para. was dropped subject to examination by the Audit.

S. M. SOHAIL
Chairman,
Standing Committee on Public Accounts.

**PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE
ON PUBLIC ACCOUNTS HELD ON 28TH SEPTEMBER, 1964
AT 9.00 A.M. IN THE 'TEA ROOM' OF THE ASSEMBLY
BUILDING, LAHORE.**

1. The following were present :—

- | | |
|---|-----------------------|
| (1) Mr. S. M. Sohail, M. P. A. . . | Chairman. |
| (2) Khan Ata Hussain Khan, M. P. A. . . | Member. |
| (3) Mr. Muhammad Akbar Khan of Paniala, M. P. A. . . | Member. |
| (4) Sardar Ahmed Ali, M. P. A. . . | Member. |
| (5) Mr. Ghulam Muhammad Shah, M. P. A. . . | Member. |
| (6) Chaudhri Muhammad Iqbal, Secretary, Provincial Assembly of West Pakistan. | ex-Officio Secretary. |
| (7) Mr. Savak R. Poonegar, C. S. P., Deputy Secretary Finance Department. | Expert Adviser. |
| (8) Rana Muhammad Yasin, P. A. & A. S. Accountant-General, West Pakistan. | By invitation. |
| (9) Mr. Riazul Hassan, P. A. & A. S. Director, Audit and Accounts (Works). | By invitation. |
| (10) Mr. A. R. Kazi, Secretary, Irrigation and Power along with Chief Engineers and Director (Finance) WAPDA. | By invitation. |

IRRIGATION AND POWER DEPARTMENT

II. The Committee then examined the explanations of the Irrigation and Power Department in respect of items pertaining to the Appropriation Accounts for 1957-58 which were not finally disposed of earlier.

(1) *Page 28, para. 17 (a) 22 (2)—Embezzlement of Stores and Fraudulent payments*—This para was partly considered by the Committee in its meeting held on 29th July, 1964. According to the information as ascertained by Chief Engineer, Sargodha Region from the files in his office, the facts are that one Inayat Ali, Accounts Officer, pointed out irregularities during the year 1955 in the matter of refunds on account of cost of rations realised from contractors to the tune of about Rs. 26,261 which appeared to him to be suspicious and he recommended a detailed investigation. The attention of the Chief Engineer was drawn towards this by the Accountant-General in August 1955 and one Mr. Cheema was appointed as Inquiry Officer in September 1955 who submitted his report in February 1956. On the submission of this report by Mr. Cheema, the Chief Engineer handed over the case to the Anti-Corruption Department and asked the Accountant-General to depute an Assistant Accounts Officer for station audit in June 1956. Thereafter, audit was carried on by Mr. A. R. Khan in June 1957 from 20th June to 24th June, 1957 who submitted his report. This report was received in the Chief Engineer's office through Audit and Accounts office on 14th March, 1958 and a draft para was sent by the Audit to the Chief Engineer on 31st October 1960 in which it was stated that the case was taken up with the departmental authority in March 1958. In the meantime, Mr. Bajwa, who was the Chief Engineer concerned, retired on 9th February 1958. Thereafter one Mr. Nasir Sultan Ali Khan was appointed as Inquiry Officer on 16th September, 1961 to go into the whole question. Mr. Nasir Sultan Ali Khan submitted his report on 21st December, 1962 and thereupon a charge-sheet was issued against the officers concerned and was sent for signatures to Secretary, Irrigation and Power, on 9th April, 1963. The Anti-Corruption Department, in the meantime, had not taken any action and had sent the matter back to the department for departmental action and the result of the Anti-Corruption Department was also sent to the Secre-

tary in August, 1961. The Secretary, Irrigation and Power Department promised to look into this case again and to submit revised and detailed explanation in the next meeting. He stated that in the meantime, a charge sheet has been issued on 18th May, 1964 to all the concerned officers and the loss caused has been determined to the tune of Rs. 58,304.

(2) *Page 29, para. 17(a) (26) (1)*—Consideration of this item and the items regarding Appropriation Accounts for 1958-59 were deferred to the next meeting of the committee.

The Committee then adjourned to meet again at 9.00 a.m. on Tuesday the 29th September, 1964.

S. M. SOHAIL,
Chairman,
Standing Committee on Public Accounts.

PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE
ON PUBLIC ACCOUNTS HELD ON THESDAY, THE 29TH SEPTEMBER
1964, IN THE 'TEA ROOM' OF THE ASSEMBLY CHAMBER,
LAHORE, AT 9.00 A. M.

I. The following were present :—

- (1) Mr. S. M. Sohail, M. P. A. Chairman.
- (2) Khan Ata Hussain, Khan, M. P. A. Member.
- (3) Mr. Muhammad Akbar Khan of Paniala, M. P. A. Member.
- (4) Mr. Ghulam Muhammad Shah, M. P. A. Member.
- (5) Sardar Ahmed Ali, M. P. A. Member.
- (6) Chaudhry Muhammad Iqbal, Secretary, Provincial *Ex-officio* Secretary of West Pakistan.
- (7) Mr. Savak R. Proonegar C. S. P. Deputy Secretary, Expert Adviser. Finance Department.
- (8) Mr. Riazul Hassan P. A. & A. S. Director Audit By invitation. and Accounts (Works).
- (9) Mr. Rafiq Inayat, C. S. P. Secretary, Communication and Works Department, along with Regional Chief Engineers.

II. *Appropriation Accounts for the year 1957-58*—The Committee then examined the explanation of the Communication and Works Department in respect of remaining paras in Appropriation Accounts for 1957-58 for which further explanations were asked for by the Committee in the last meetings.

1. *Page 15, Para 17(a) (3) (4)—Shortage of Timber worth Rs. 10,997*—Under this head there was a shortage of timber of the value of Rs. 10,997. The Committee dealt with this question at length in its meeting held on 10th August 1964 and as a result of the lines indicated by the Committee a preliminary inquiry was held by Mr. Muhammad Sharif Bhatti, Superintending Engineer, who has found four persons responsible *prima facie*. This finding was arrived at on 24th September 1964. The Committee was assured by Mr. Rafiq Inayat, Secretary of the Department, that immediate further action by way of explanation and charge-sheets will follow in this case and this matter will be pursued diligently till it is brought to a logical conclusion. There was a further question of reduction in the quantity of the timber lost, is the Department alledged that the quantity was 490.75 Cft. and not 1374.01 Cft. The Audit Department desired to see measurement books and stocks registers at the despatching and the receiving ends. The Department promised to furnish these documents. The Audit Department should examine this. It was decided that this matter be placed before the Committee at the next meeting showing the progress made.

2. *Page 19, Para 17(a) (6) (2)—Mis-appropriation of Material Worth Rs. 12,800*—This case, which was originally alledged to be a case of mis-appropriation amounting to Rs. 12,800 has now been reconciled as a case of fictitious stock adjustment. Warning has been issued to the S. D. O. concerned.

The para was dropped.

3. *Page 19, Para 17 (a) (7)—Short Recovery of Rs. 48,522*—This matter was considered by the Committee on 10th August 1964. In this case a road which was to be built in Kashmir and the circumstances of urgency were such that there was no time to go into a meticulous hair-splitting care oftaking notice of certain letters which had been received a few days before from the Head Office regarding revised rates of cement. The attention of the Committee was drawn to a remark made by the then Superintending Engineer, stating that the executive Engineer was at fault in getting

into an agreement at a loss of Rs. 1/8/0 per bag. The Committee entirely disagreed with this observation of the Superintending Engineer because this road was of strategic importance and was built at a time when there was no time to go into meticulous and hair splitting calculations. The Committee noted that the Superintending Engineer in the same note had stated that the mistake was a bonafide one. The Committee was in full sympathy with the Audit Department that they have done well in drawing the attention of the Committee to the facts of the case but on a careful examination of the case, the Committee was satisfied that this case should not be proceeded further and should be dropped.

4. *Page 22, Para 17(a)(14)(5)–Page 22, Para 17(a)(14)(6)–Page 22, Para 17(a)(14)(7)–Irregular Payments*—A sum of Rs. 29,886 was to be recovered from the Contractor. The Committee dealt with this case at some length in the meetings held on 10th and 11th August, 1964. Since then, the Department commenced a preliminary inquiry and Mr. Aziz, Superintending Engineer, was appointed to make an inquiry. He has fixed responsibility on seven persons whose names have been given in the explanation supplied by the Department. The stage has now reached for asking explanations and giving charge sheets. At this stage the progress has been blocked by the refusal of the Arbitrator, one Mr. Nazir Ahmed, Director, Water Supply, Public Health Engineering Department who is seized of the arbitration proceedings between the Contractor and the Public Works Department. The Arbitrator in a letter dated the 25th September, 1964, addressed by him to the Inquiry Officer stated that the records need a careful scrutiny, co-relation, reference and conclusions before the arbitration is decided. He further thinks that the case of the petitioner will be prejudiced by placing these records in the hands of the respondent for the department till final decision is taken. He has not indicated as to when he is going to give a final decision.

The Committee observed that this question has to be solved at two ends by way of arbitration between the Contractor and the department and by way of departmental proceedings initiated by the department against its own officers. The Arbitrator cannot possibly be permitted to hold back the progress of the departmental proceedings if the department want to make against its own officers. The Secretary of the Department, Mr. Rafiq Inayat, assured the Committee that he will take up the matter with the Secretary of the Health Department and, in the first place, obtain records so that the necessary data is formulated for the charge-sheet and then return to the Arbitrator for proceedings in the matter. This appears to be quite reasonable and the matter may be pursued on the lines indicated by Mr. Rafiq Inayat. The Committee decided that this matter will come up before it at its next meeting with progress report.

5. *Page 23, Para 17(a)15(2)–Cost of Material not Recovered*—The Secretary, Communication and Works Department, stated that the Department has taken action on the lines indicated by the Committee and the matter has not been yet finalised. The Committee decided that the progress will be reported at the next meeting of the Committee.

6. *Page 23, Para 17(a)15(5)–Cost of Material not Recovered*—Same decision as at items No. 5 above.

7. *Page 23, Para 17(a)15(6)–Same decision as at item No. 5 above.*

8. *Pages 57-58, Para 18(iii)–Arrears in Accounts Documents and Returns*—This item relates to non-submission of Audit Returns. The Committee dealt with at length this question in the meeting held on 10th August, 1964. The Secretary, Communication and Works Department, informed the Committee that the Department is proceeding against 15 Officers of Bahawalpur and 9 of Lahore for lateness on their part and will take severe disciplinary action. The Committee decided that the progress will be reported to the Committee in the next meeting.

9. *Pages 61-62, Para 18(v)–Delay in Disposal of Inspection Reports and Audit Notes*—Same decision as item No. 8 above.

10. *Page 15, Para 17 (a) 3 (9)—Shortage of Stores*—The Department is recovering the amount from the Officials. There is no doubt that recoveries from Officials will take a very long time, but considering the salaries, if larger amounts are recovered, that may leave the door open for further corruption and hardships and inefficiency.

The para. was dropped.

11. *Page 16, Para. 17 (a) 3 (10)—Concealment of Shortage of Material*—The para. was dropped.

12. *Page. 19, Para 17 (a) 6 (3)—Mis-appropriation of Material*—This item was to come up before the Committee after it was not settled with the Audit. The Audit Department pointed out that although it has not been settled the Department did not submit working papers. The Secretary of the Department stated that he was under the impression that this item was dropped. Now that the position has been made clear, the Department was asked to have it settled with the Audit and as indicated in the previous decision, if it is settled with the Audit then it need not come up before the Committee and if it is not settled then it should come up before the Committee at the next meeting.

13. *Pages 173-74, para. 9—Grant No. 29 Civil Works*.

The Committee decided that this para. should be cleared between the Department and the Audit Department and if it is not settled then it should come up before the Committee in the next meeting.

III. The Committee then adjourned to meet again on the 23rd November, 1964.

S. M. SOHAIL

Chairman,

Lahore, the 29th September 1964

Standing Committee on Public Accounts.

PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE ON
PUBLIC ACCOUNTS HELD ON 8TH DECEMBER, 1964 AT 12:00 NOON
IN COMMITTEE ROOM 'A' OF THE ASSEMBLY BUILDING, LAHORE.

The following were present:-

- | | | |
|---|-------------------|------------|
| (1) Mr. S. M. Sohail, M. P. A. | .. | Chairman. |
| (2) Sardar Ahmed Ali, M. P. A. | .. | Member. |
| (3) Mr. Ata Hussain Khan, M. P. A. | .. | Member. |
| (4) Mr. Ghulam Muhammad Shah, M. P. A. | .. | Member. |
| (5) Chaudhri Muhammad Iqbal, Secretary, Provincial Assembly of West Pakistan. | <i>Ex-officio</i> | Secretary. |
| (6) Mr. S. M. Nasim, C. S. P., Additional Secretary, Finance Department. | By invitation. | |
| (7) Rana Muhammad Yasin, P.A. & A.S., Accountant-General, West Pakistan. | By invitation. | |

II. The Committee considered the Government of Pakistan Finance Accounts, 1957-58.

III. The Committee then adjourned to meet again on 9th December 1964 at 12 noon to finalize the report.

S. M. SOHAIL
Chairman,

Dated Lahore, the 8th December, 1964. Standing Committee on Public Accounts.

PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE ON PUBLIC ACCOUNTS HELD ON 9TH DECEMBER, 1964 AT 12:00 NOON IN COMMITTEE ROOM 'A' OF THE ASSEMBLY BUILDING, LAHORE.

The following were present—

- | | | |
|---|-------------------|------------|
| (1) Mr. S. M. Sohail, M. P. A. | .. | Chairman. |
| (2) Sardar Ahmed Ali, M. P. A. | .. | Member. |
| (3) Mr. Ata Hussain Khan, M. P. A. | .. | Member. |
| (4) Mr. Ghulam Muhammad Shah, M. P. A. | .. | Member. |
| (5) Chaudhri Muhammad Iqbal, Secretary, Provincial Assembly of West Pakistan. | <i>Ex-officio</i> | Secretary. |
| (6) Rana Muhammad Yasin, P. A. & A. S., Accountant-General, West Pakistan. | By invitation. | |

II. The Committee unanimously adopted the draft report of the Standing Committee on Public Accounts on the Appropriation, Finance and Commercial Accounts of the Government of West Pakistan for the year 1957-58 and audit reports thereon.

S. M. SOHAIL
Chairman,

Dated Lahore, the 9th December 1964

Standing Committee on Public Accounts.

**PROCEEDINGS OF THE MEETINGS
OF
THE STANDING COMMITTEE ON PUBLIC ACCOUNTS
RELATING TO
COMMERCIAL ACCOUNTS FOR 1957-58**

PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE ON
PUBLIC ACCOUNTS HELD AT 3.00 P. M. AT GOVERNMENT HOUSE,
10-VICTORIA ROAD, KARACHI, ON THE 27TH APRIL, 1964.

Present—

- | | | |
|---|--------------------|------------|
| 1. Mr. S. M. Sohail, M. P. A. | .. | Chairman. |
| 2. Sardar Ahmed Ali, M. P. A. | .. | Member. |
| 3. Mr. Ghulam Muhammad Shah, M. P. A. | .. | Member. |
| 4. Khan Ata Hussain Khan, M. P. A. | .. | Member. |
| 5. Chaudhri Muhammad Iqbal, Secretary, Provincial Assembly of West Pakistan. | <i>ex-officio.</i> | Secretary. |
| 6. Mr. Tariq Saeed Jafri, C. S. P., Deputy Secretary, Expert Advisor, Finance Department. | | |
| 7. Mr. S. M. A. Subzwari, P. A. and A. S., Accountant-General, West Pakistan. | By invitation. | |
| 8. Mr. A. A. K. Babar, P. A. and A., S. Director of Commercial Audit. | By invitation. | |

II. The Committee took up the preliminary examination of the commercial accounts of the Government of West Pakistan for the year 1957-58 and the Audit Report thereon.

(1) *Pages 7-10, paragraphs 16-18.*—The Committee noted with considerable concern the fact that out of 20 organizations listed in paragraph 16 which were subject to audit by the Comptroller and Auditor-General of Pakistan and were to submit a total number of fifty accounts for the year 1957-58 and the previous years, only eleven accounts were submitted for audit which have been included in Part I of the Commercial Accounts under examination by the Committee.

It seems that 12 organizations have failed to compile their commercial accounts for the years noted against each in paragraph 17 and out of them the Agricultural Engineering Workshop, Tando Jam, have not prepared its accounts since 1944-45, i. e., for a period of 11 years. The Cold Storage at Baghbanpura, Lahore and Sialkot have not prepared their commercial accounts since 1951-52, i. e., for a period of 7 years, the Electricity Schemes in Peshawar and Dera Ismail Khan Divisions have not prepared their commercial accounts since 1955-56, i. e., for a period of 3 years; the General and Steel Mills has not prepared its accounts for the year 1948-50, i. e., for a period of 3 years. The Mechanical Cultivation Scheme in Quetta Region has not prepared its accounts for the years 1956-57 and 1957-58, i. e., for a period of 2 years. It further appears that the organizations have not prepared their commercial accounts even after the year 1957-58 till now. The Committee took a serious view of the situation. This tantamounts to this that these organizations are running without any check by the Audit as regards their profit and loss position and financial feasibility. These organizations are financed by public funds and the legislature has a right to know as to how they are functioning and what is the profit and loss involved in their running and whether suitable action, if any, has been taken against officials responsible for this sorry state of affairs.

Prima facie, it is the responsibility of the Administrative Departments concerned to have seen to it that the accounts are prepared and submitted for audit. Repeated attention of the Government seems to have been drawn towards this position by the Audit but without any result.

The attention of the Administrative Departments concerned should be pointedly drawn to these observations with the request that the accounts for

the relevant years must be got prepared and submitted for audit within three months and the explanations of the officers responsible for the default obtained and channelled to this Committee through the Audit Department. The Director, Commercial Audit states that in some cases he was told that the accounts were not prepared as the Departmental Heads or the Finance Department did not sanction the creation of the posts of an Accountant who could prepare the accounts. The Committee would like to know if this is correct and if it is, why the necessary staff was not provided.

In any view of the matter, the accounts must now be prepared and, if necessary, additional staff for that may have to be sanctioned. The Committee is of the view that the preparation and audit of accounts of these commercial departments is absolutely necessary and should not be condoned or postponed any further. The Finance Department may take up this matter immediately with the respective departmental heads and the Secretaries thereof to expedite matters.

(2) *Page 19, paragraph 22 (i)*—The Department concerned may be asked whether necessary security arrangements have now been made to prevent the loss of Government money.

(3) *Page 19, paragraph 22 (ii) and (iii)*—The Departments concerned may be asked whether the procedure suggested by the Audit has been adopted and action for the recovery or write off of the amounts involved taken.

(4) *Page 27, paragraph 35*—The Committee would like the Finance Department to ask the Department concerned to go into the question of the transfer of an expenditure of Rs. 4,78,037 from the commercial side to the education side and to see whether this was justified specially in view of the accounts of the previous years and whether the profit of Rs. 5,06,788 would not be converted into a loss of Rs. 2,48,824 if this were not justified. The department concerned should examine the justification for the transfer of this expenditure to the education side on merits.

(5) *Page 28, paragraph 40*—The Administrative Department should find out as to how there was an excess of Rs. 56,310 and shortage of Rs. 51,579 in stock account (Cloth) and whether this excess and shortage was justified. If it was not justified who was responsible for this shortage and excess and what action have been taken against official responsible for it.

(6) *Page 46, paragraph 53*—The Administrative Department should ascertain as to who was responsible for the physical verification of closing stocks not being made on 31st March, 1956, 31st March, 1957 and 31st March, 1958, and state what action has been taken against the officials responsible for this default. If no action has been taken until now, the Committee would like to know whether any action is intended to be taken and what is being done to ensure that physical verification of the stocks is made on the closing day of the financial year.

(7) *Page 46, paragraph 54*—The Committee agree with the Audit that the unsold stocks lying for the last 10 to 12 years which have been valued at their original cost should have been revalued at their market rates and the decreased value of the stock should have been shown in the profit and loss accounts. The Department may be asked to follow this principle.

The Committee then adjourned to meet again on Tuesday, the 28th April, 1964, at 10.00 a. m.

S. M. SOHAIL

*Chairman,
Standing Committee on Public Accounts.*

PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE ON
 PUBLIC ACCOUNTS HELD AT 10.00 A. M. AT GOVERNMENT HOUSE,
 10-VICTORIA ROAD, KARACHI, ON THE 28TH APRIL,
 1964.

Present:-

- | | |
|--|----------------|
| 1. Mr. S. M. Sohail, M. P. A. | Chairman. |
| 2. Sardar Ahmed Ali, M. P. A. | Member. |
| 3. Mr. Ghulam Muhammad Shah, M. P. A. | Member. |
| 4. Khan Ata Husain Khan, M. P. A. | Member. |
| 5. Chaudhri Muhammad Iqbal, Secretary Provincial <i>ex-officio</i>
Assembly of West Pakistan. | Secretary. |
| 6. Mr. Tariq Saeed Jafri, C. S. P., Deputy Secretary, Expert Advisor.
Finance Department. | |
| 7. Mr. S. M. A. Subzwari, P. A. A. S. Accountant-General, West Pakistan. | By invitation. |
| 8. Mr. A. A. K. Babar, P. A. and A. S., Director, Commercial Audit. | By invitation. |

II. The Committee resumed the preliminary examination of the commercial accounts of the Government of West Pakistan for the year 1957-58 and the Audit Report thereon.

(1) *Pages 55 and 56, paragraph 61—67*—The Committee considered the Audit comments relating to the Punjab Government Cotton Mills, Lahore and looked into the communication dated 17th January, 1964 from the Director of Industries, West Pakistan, to the Director of Commercial Audit, Karachi, and discussed the matter with the Director, Commercial Audit. Considering the fact that the matter has been lingering on for a very long time and the explanation of the Director of Industries, West Pakistan is already on record, the Committee considers it necessary to straightaway examine him on the issue involved and in the meantime, if he considers it necessary, he may send his further explanation which may be placed before the Committee with the notes of the Director of Commercial Audit. It appears that huge amounts are involved and an avoidable loss has occurred which needs clarification by the Director of Industries. The Director of Industries may be asked to personally explain this case to the Committee and come with all necessary records so that it may not be necessary to postpone the matter again for want of records. The proceedings of the Committee relating to this item should be handed over to the representative of the Finance Department immediately for onward transmission to the Director of Industries who may be asked to come prepared for a statement on the 4th of May, 1964, when he attends the meeting of this Committee in connection with the Appropriation Accounts.

(2) *Page 79, paragraph 81*—The Committee examined the Audit comments in respect of the Government Tannery, Shahdara (in liquidation). The Department should be asked to state whether it agrees with the desirability of writing off losses so far sustained by the tannery, and the abandonment of pro forma accounts and if not why?

(3) *Page 89, paragraph 90*—The Committee examined the Audit comments regarding the Government Jallo Rosin and Turpentine Factory, Lahore. It appeared that the financial result of the past four years indicated a declining trend.

The Department should be asked to state what action has been taken to stop or arrest the declining trend and to bring about improvements.

(4) *Pages 108 and 109, paragraphs 104—110*—The Committee examined the Audit comments in respect of the scheme for exploitation of ephedra plant in Quetta Region. It appears that the plant is collected locally and sold to foreign countries as there is no local market for it. If further appears that the collection charges of this plant, which is a wild plant, are increasing and the selling rates are decreasing as a result of which the profits are decreasing. As a commercial venture it will be natural to expect a rise in selling price in relation to a rise in the cost of collection.

As quite a number of issues are involved, the Committee considers it desirable that the Department concerned should be asked to give an explanation for this state of affairs and the officers concerned should also be available for examination orally on the date when this Account is considered by the Committee.

(5) *Page 116, paragraph 119*—The Committee examined the Audit comments in respect of Government Opium and Alkaloids Factory, Lahore. In this case it appears that the sale price has been fixed below the cost of production. This position is not in accordance with the principles on which a commercial venture should be run. The Department concerned should submit an explanation and the officials concerned should be available for examination on the date the explanation is considered by the Committee.

(6) *Page 129, paragraph 130*—The Committee examined the Audit comments on the Provincial Stationery Office, West Pakistan, Lahore and discussed the matter with the Director, Commercial Audit. It appears that this unit does not prepare a profit and loss account. So long as this unit is treated as a commercial unit it would be in the fitness of things that it should prepare a profit and loss account.

The Department concerned should be asked to give its comments and the officials concerned should be available for the purpose of examination when the comments are considered by the Committee.

(7) *Page 133, paragraph 136—139*—The Committee examined the Audit comments with respect to the working of Government Transport, Khairpur during 1955. It appeared that the physical verification of the stores was not carried out during the year under review and consequently the authenticity of the value of closing stock shown in the balance sheet was open to doubt. The attention of the Department concerned was drawn by the Audit for clarifying this issue which has not been done. The Department should be asked to submit an explanation for this and also state what action has been taken or is contemplated to be taken against the persons responsible for the non physical verification of the stores being effected.

(8) *Page 142, paragraphs 147—151*—The Committee examined the Audit comments in respect of working of Government Transport, Khairpur during 1956. Here again, the physical verification of stores was not carried out and consequently the authenticity of the value of the stores shown in the balance sheet is not free from doubt. The Department concerned should be asked to explain the default and state whether any action has been taken or is contemplated to be taken against the official responsible for it.

(9) *Page 169, paragraph 171*—The Committee examined the Audit comments in respect working of the of the Punjab Road Transport Board, Lahore. It appears that there was an increase in the capital investment to the extent of 25 per cent, i.e. the capital was increased from Rs. 1,93,24,070 in 1953-54 to Rs. 2,48,93,540 in the year 1954-55 as a result of which there was an increase in the number of buses from 506 in 1953-54 to 595 in 1954-55. The resulting profit, however, shows a decrease of about 2.56 per cent, because whereas the previous profit was 16.77 per cent, the present profit is 14.21 per cent.

Considering the fact that additional buses have been put on the road and the capital investment was increased and there is a tendency towards increased

traffic, the percentage of profit should have been higher than the previous year but the result has been to the contrary. This requires a close examination and detailed analysis. The Department concerned should be asked to explain the decrease in profits and state what steps have been taken to increase it.

The Chairman of the Road Transport Board should be available when the explanation is considered by the Committee.

(10) *Page 169, paragraph 175*—The Department concerned and the Chairman of the Road Transport Board should reconcile the difference pointed out in this paragraph and submit a report in regard to the matter.

(11) *Page 214, paragraph 197*—The Committee examined the Audit comments in respect of Lahore Ominibus Service, Lahore. This appears to be quite a serious matter. The value of stores consumed and charged to the Revenue Account has been worked out on provisional rates of in most of the cases. The differences between the actual and the provisional rates have been adjusted in the subsequent year's accounts. As such, the net profit shown in the revenue account does not represent the factual position.

Apart from this fact, constituting a serious technical objection, there is also a very substantial objection involved in as much as the price of the goods purchased must be fixed and known at the time of purchase and should be shown in the accounts irrespective of what amount is paid provisionally for the same. If this is not done, it may provide opportunities for serious cases of dishonesty and manipulation afterwards. The attention of the Department concerned and the Chairman, Road Transport Board should be drawn towards this and they should be asked to explain the same and the officials concerned should be present when the Committee examines the explanations.

(12) *Page 232, paragraph 207—213*—The Committee examined the Audit comments under the head "The Punjab Transport Service, Rawalpindi" and made the following observations:—

- (i) It appears that an amount of Rs. 45,112 is outstanding for a long time and a part of it is outstanding since 1948-49. The Department concerned and the Chairman, Transport Board, should be asked to explain why this is so, what action is being taken to collect the amount and whether any action has been taken against the officials responsible for it;
- (ii) It appears that a sum of Rs. 5,000 and Rs. 1,000 representing 'Rawana Fee' and 'Service Licence Fee' respectively deposited by the Transport Service in Kashmir before partition is outstanding. Prima facie, it does not appear possible to obtain refunds of the security deposits. The Department concerned and the Chairman, Road Transport should be asked to state as to what is the correct position and what should be done about this amount;
- (iii) The value of stores in the Revenue Accounts has been worked out on provisional rates in most of the cases of issues of stores. The difference between the actual rates and the provisional rates were adjusted in the subsequent year's accounts. As such, the net profit shown in the Revenue account does not represent the factual position.

The Department concerned and the Chairman, Road Transport Board should be asked to explain why this is so. Their attention should be invited to the possibility of manipulation and dishonesty if this practice continues. They should be asked to be present for personal examination when the matter next comes before the committee.

(13) *Page 292, paragraphs 254—256*—The Committee examined the Audit comments under the head "The Punjab Road Transport Board, Body

Building Workshop, Lahore" and made the following observations:—

- (i) It appears that the proportionate cost of the Headquarters, establishment has not been charged in the proforma Accounts for the year under review and the practice in the past also has been not to charge this cost. The Department concerned and the Chairman, Road Transport Board should be asked to explain why this is so? They should be asked to be present for examination when the matter comes before the Committee next time.
- (ii) The workshop fabricated 55 bus bodies at an average cost of Rs. 10,136 per bus body during the year under review. They also got 97 bus bodies fabricated from private Body Builders and the average cost came to Rs. 8,500 per body. It would thus appear that the bus bodies manufactured by this unit cost about Rs. 1,546 more than the bus bodies manufactured by the private body builders.

The Department concerned and the Chairman, Road Transport Board, should be asked to explain why this was so and why as much overhead expenditure, which resulted in higher cost, was incurred and suggest ways and means of effecting economy to make it a commercial success.

(14) *Page 310, paragraph 270*—The Committee examined the Audit Comments relating to "The Punjab Road Transport Board, Lahore". It appears that there was a decrease in profits due to increased overhead expenses of the Head Office which increased from Rs. 6,87,478 to Rs. 9,63,290. It also appeared that there was an increase in capital investment from Rs. 2,48,93,540 to Rs. 3,13,74,480, yet there was no corresponding increase in revenue.

The Department concerned and the Chairman of the Road Transport Board should be asked to explain why this was so and they should also suggest methods to effect economy in expenditure particularly the overhead expenses.

(15) *Page 324, paragraphs 277, 278 and 280*—The Committee examined the Audit comments relating to the accounts of "The Punjab Road Transport Board, Headquarters' Office, Lahore" and made the following observations:—

- (i) It appears that the outstanding amounts due to the central stores increased from Rs. 1,39,541 to Rs. 14,75,057 in the year under examination. The Chairman, Road Transport Board should be asked to explain how this accumulation was effected and suggest ways for the clearance of the accumulated outstanding;
- (ii) It appears that the amounts payable to Sundry Creditors has increased in the year under examination from Rs. 2,60,717 to Rs. 16,02,764. The Chairman, Road Transport Board should be asked to explain why this is so and take steps to clear the outstanding amount;
- (iii) It appeared that the overhead charges of the Headquarters Office were increasing and they have increased in one year from Rs. 7,64,980 to Rs. 9,63,290. The Chairman of the Road Transport Board should be asked to explain the reasons for this increase and to state the way to arrest this tendency of increase in the overhead charges.

(16) *Page 351, paragraph 304*—The point involved in this paragraph is that the Chairman has indirectly done something which he could not do directly, namely, he has sanctioned the sale of the stock in piecemeal within his powers so that the competent authority namely, the Board need not be approached to accord its sanction for the sale.

In a practice like, this, there is an inherent possibility of the dealings not being up to the mark and quite above board. The Department and the Chairman,

should be asked to explain why this was done. They should be asked to be present at the meeting of the Committee when this is further considered.

(17) *Page 351, paragraph 305 and 306*—The Department and the Chairman, Road Transport Board may be asked to explain why the stores issued to sister services were not billed for and why no record of job cards, old parts disposal or repair register were maintained.

(18) *Page 366, paragraph 321*—The Department and the Chairman, Road Transport Board may be asked to explain the shortage of stores worth Rs.7,610.

(19) *Page 382, paragraph 333*—The Department and the Chairman, Road Transport Board may be asked to explain in detail the reasons for surplus and the shortage of stores.

(20) *Page 383, paragraphs 336 and 338*—The Department and the Chairman, Road Transport Board may be asked to explain the reasons for which no proper record of unserviceable stores were kept by the Services. The hire charges of buses provided by the Service was written off, the debts have been recovered and no proper account, linking the Accepted Tenders and the material actually received by the Services was maintained.

(21) *Page 398, paragraph 352*—The Department and the Chairman, Road Transport Board may be asked to explain why the balance of Rs. 56,022 has not yet been paid to the Government and to state what steps have been taken to adjust this amount.

The rest of the items were either dropped or entrusted to Audit for further pursuance.

The Committee adjourned to meet again at 3.00 p.m. for consideration of the Appropriation Account for 1957-58.

S.M. SOHAIL
Chairman,
Standing Committee on Public Accounts.

PROCEEDINGS OF THE MEETING OF THE STANDING
 COMMITTEE ON PUBLIC ACCOUNTS HELD FROM 9.00
 A.M. TO 11.45 A.M. ON 11TH AUGUST, 1964
 IN THE TEA ROOM OF THE ASSEMBLY BUILDING
 LAHORE.

I. The following were present:—

(1) Mr. S.M. Sohail, M.P.A.,	Chairman.
(2) Khan Ata Hussain Khan, M.P.A., Member.	Member.
(3) Mir Ghulam Muhammad Shah, M.P.A.,	Member.
(4) Mr. Muhammad Akbar Khan, M.P.A.,	Member.
(5) Sardar Ahmad Ali, M.P.A.	Member.
(6) Chaudhri Muhammad Iqbal, Secretary, Provincial Assembly of West Pakistan.	<i>ex-officio</i> Secretary.
(7) Mr. S.M. Nasim, C.S.P., Additional Finance Secretary.	Expert Adviser.
(8) Mr. S.M.A. Subzwari, P.A.& A.S. Accountant-General, West Pakistan.,	By invitation.
(9) Mr. A.A.K. Babar, P.A.& A.S. Director Commercial Audit, Pakistan.,	By invitation.
(10) Mr. B.A. Qureshi, C.S.P., Member, Board of Revenue and Secretary to Government of West Pakistan, Excise and Taxation Department alongwith Manager Government Opium and Alkaloids Factory, Lahore.,	By invitation.
(11) Mr. Inayatullah, C.S.P., Secretary Industries and Commerce Department alongwith Mr. I. H. Siddiqi, Controller of Printing and Stationery of West Pakistan, Mr. Muqarrab Khan, Additional Settlement Commissioner Industries and Mr. Muhammad Anwar Khan, Deputy General Manager, Small Industries Division, W.P.I.D.C.,	By invitation.
(12) Mr. Syed Nasir Ali, Joint Secretary, (Electricity) to Government of West Pakistan, Irrigation and Power Department alongwith Mr. N.H. Jaffery, Member Finance, WAPDA.,	By invitation.

II. The Committee considered explanations of the following Departments in respect of audit objections and irregularities pointed out in the Commercial Accounts for 1957-58:—

EXCISE AND TAXATION DEPARTMENT

- (1) *Pages 8 and 10, Paragraphs 17 and 18 of the Commercial Accounts for 1957-58 and the Audit Reports 1959.*

Non-preparation of accounts for two Commercial concerns—The Excise and Taxation Department did not furnish the reasons for not preparing the accounts for:

(i) Excise and Salt Department, Lahore, and

(ii) Government owned Salt Stores at Saran from 1st April 1956. The Committee decided that the Department should furnish the explanation in the next meeting.

(2) *Page 116, paragraphs 119-120.—Government Opium and Alkaloids Factory, Lahore*—Under this item, there was a loss of Rs.80,195 on the sale of opium.

This was due to the fact that selling price of opium was fixed at the rate of Rs. 130 per seer for Excise opium and Rs. 70 per lb. for medical opium. The Committee examined Mr. Idu, Manager, who was incharge of the production and sale side of the factory. Questions put to him and answers given by him were as follows:—

Question—You are managing the production side and the sale side of Opium?

Answer—Yes.

Question—When did you last receive the crop for the year 1956-57?

Answer—It was by the end of August, 1956.

Question—Then you refined it?

Answer—Yes.

Question—When was this process over?

Answer—The processing goes on all the year round.

Question—On the Ist of April, 1957, how much opium of the quality which you released to the market was available with you?

Answer—122.9953 maunds.

Question—Was some more stock lying in the treasuries?

Answer—I do not know.

Question—What was the cost of production of this opium?

Answer—According to my calculation the cost price was Rs. 130 per seer.

Question—What was the sale price fixed for this opium, the cost price of which was Rs.130 per seer?

Answer—The sale price for this opium was also fixed at Rs. 130 per seer.

Question—Who fixed the price and on whose recommendation?

Answer—The Government.

Question—What do you mean by the 'Government in this case?

Answer—The Director of Excise fixed the price.

Question—Will it be correct to say that the cost of production is Rs. 133/10/6 per seer and not Rs. 130 per seer?

Answer—Yes, the cost of production is Rs. 133/10/6 and not Rs. 130 per seer as stated by me earlier.

Question—How much opium did you sell in 1957-58?

Answer—The total amount of opium sold in the year 1957-58 was 189.307 maunds.

Question—How much of this quantity was carry-over of the last year?

Answer—We sold first 122 maunds which was carry-over of the last year and then we sold the products of the current year.

The Committee found that the total sale of opium during this year was 189 maunds, out of which the carry-over from the last year was 122 maunds. These 122 maunds were received by the Department in about July, 1956 and the Department had the time to find out as to what was the cost of production of that opium. The Manager first stated that he has fixed the cost price at 130 per seer and again he said that he had fixed the cost price at Rs. 123. He further said that the actual cost price was Rs. 133/10/6. Mr. B.A. Qureshi, Member Board of Revenue very strongly put forward the case that the price as fixed by the Government at the rate of Rs. 130 arbitrarily for the whole year and it was not desirable to have it revised just like what is done in railways where after fixing the price of

tickets, the price is not changed even if the concern is going at a loss. The Committee did not agree with opinion or Mr. B.A. Qureshi, on this point and observed that to compare the Excise Department on the side of selling opium with the Railways Administration carrying Passengers and freight, on the face of it, was not correct; that in this case what happened was that the Department had been criminally negligent in not finding out the correct cost of production which was a question of pure arithmetic; that the Department had all the data before it and if it had exercised diligence and care it would not have been difficult for it to know the cost which was Rs. 133 and odd per seer and not Rs. 130 and odd per seer; that this was one of the cases where the amount of loss should have been realised from those who were responsible for causing it. The Committee decided to refer this matter in the Report to the Assembly.

INDUSTRIES, COMMERCE AND MINERAL RESOURCES DEPARTMENT.

(1) *Pages 9-10 Para. 17 (i) and 18 (i).—Delay in compilation of accounts of Virginia Tobacco Redrying Factory, Khairpur*—The item was dropped.

(2) *Page 27, Para. 35. Profit and loss Account of Government Weaving and Finishing Centre, Shahdara*—Government Weaving and Finishing Centre, Shahdara earned a net profit of Rs. 2,29,213 during the year under review as against the net profit of Rs. 5,06,788 made during the previous year. The percentage of net profit to turn over worked out to 10.89 during the previous year. The profit was arrived after the transfer of expenditure of Rs. 4,78,037 from the Commercial side to the Education side. But for this transfer, the profit would have turned into a loss of Rs. 2,48,824. The Committee in its last meeting asked the Industries and Commerce Department, to examine the justification for the transfer of this expenditure to the Education side on merits. The Secretary of the Department drew the attention of the Committee to Rules 24 of the Rules for the working and management of the Institute accordingly of which certain expenditure is debited to the Education side. He further stated that the Finance Department had fixed the ratio of 4-11 as the ratio of disbursement for the profits of this organisation meaning thereby that 4 out of every 11 has got to be credited towards the Education side that is being run by this Institution; that this factory was running a Centre for training to supply personnel to other factories in the Province and for the purpose a certain expenditure had to be incurred which was charged to the profits of this factory, that the number of trainees fluctuated if not, as urged by the Audit, dwindling down.

The Committee observed that sufficient data was not placed before the Committee to satisfy it that it was necessary to charge the cost of expenditure of the trainees to the profit of this institution. If it was necessary to run this institution Government might have provided a grant for running this institution and the trainees might very well avail of this institution for the purpose of carrying on their training course but to charge the cost of expenditure on running this institution to the profit of this commercial organisation appeared to the Committee to be extraordinary. The Committee recommended that this position should be reviewed and reconsidered by the Finance Department sitting alongwith the Industries and Commerce Department and management of the factory and a solution be found out.

With these observations the para was dropped.

3. *Page. 28; para. 40 Excess and shortage of stock in Government Weaving and Finishing Centre, Shahdara*—In this case the stock account showed excess in certain items of cloth and shortage in certain other items of cloth. The excess

amounted to the value of Rs. 56,310 and shortage to the value of Rs. 51,579. The Audit suggested that "excesses and shortages should be investigated before these were taken on charge and written off respectively in order to find out whether particularly the shortages were only due to mixing of issue of cloth of one quality for the other or for some other reasons; that efforts were also required to improve the system so that such excesses and shortages were reduced to the minimum." The Department agreed with these suggestions in full and promised to have it sorted out according to these suggestions. This being so, the item was dropped.

Pages 55-56, para 61-67—The Punjab Government Cotton Mills, Lahore—
This item related to the notorious Mela Ram Cotton Mill scandal. A huge amount running into about half a dozen lakhs was to be recovered from the lessees, which could not be recovered. The Committee in its last meeting at Karachi made the following observation:—

- (i) "It would be advisable to approach the High Court and apprise them of the whole situation and make a prayer for the appointment of an arbitrator by the High Court with full powers to decide the matter in dispute and thus finally clinch the issue and decide the question, and
- (ii) to fix responsibility and to detect fraud, theft and misappropriation. It would be proper to refer the matter to the Director of Anti-Corruption West Pakistan, Lahore, with request to finalize this report by 30th June, 1964, and collect all material evidence relating to fraud, misappropriation theft and embezzlement and fix responsibility of the individual officer and other persons connected with the muddle."

The Committee was informed that the Department at the highest executive level decided not to refer the matter to the Anti-Corruption Department as they considered that no useful purpose would be served by collecting evidence regarding fraud, misappropriation, theft and embezzlement and fixing responsibility of individual officer and other persons connected with the muddle, as they were primarily concerned with the collection of the amount to be recovered. This decision was taken because in the past they had made all-out efforts to fix the responsibility and find out this, fraud, embezzlement etc. by a court of enquiry and investigation. This being so the Committee was of the view that the alternative left in this case was to approach the High Court; that it was a clear case where the arbitration clause in an agreement had been frustrated by stringencies of one or more parties and the aggrieved party had clear relief to approach the High Court for appointing an arbitrator to decide the whole question. The Committee was strongly of the view that no time should be further wasted on crossing the file from one Department to another in the pursuit of collecting information; that when the position was so obvious on the face of it the Department should now consider to file an application before the High Court for the appointment of an arbitrator and if they needed the opinion of the Law Department on the question, that opinion should be obtained without loss of time or delay; that the Department should also take into consideration the fact as to how it was that a faulty surety was accepted and who was the officer who was responsible for accepting that faulty surety and take action; that this aspect of the matter would certainly need further exploration even if other matters needed no exploration, because it was certainly a question where one of the officials of the Department had been responsible in not exercising that diligence which it was necessary for him to exercise while performing his duty as a prudent man of business in the discharge of public duty.

The Committee then examined Mr. Muqarrab Khan, Additional Settlement Commissioner, Industries, Lahore, to explain as to what happened to the stores worth Rs. 1,27,272 lying in the Spinning, Weaving, Engineering

and Finishing Sections of the defunct Mill, which were supposed to be missing. He stated "I have received a letter in May together with the inventories relating to this amount of Rs.1,27,272 worth of goods lying in the Spinning, Weaving, Engineering, and Finishing Sections of the defunct Mela Ram Cotton Mill, Lahore and since then I am investigating it."

Question—When would you finish your investigation?

Answer—I will be able to finalize my report within this month.

Question—What is the stage to which you have reached now?

Answer—I am collecting information and my personal information is that a part of goods of this Cotton Mill has gone to another Mill in Shahdara.

Question—What is the name of that Mill?

Answer—I do not know the name of that Mill.

Question—Have you seen the Mill?

Answer—I never went personally to that Mill.

Question—When did you receive the intimation that the goods have gone there?

Answer—In July.

Question—How many days ago?

Answer—I received this information in the last week of July. As I have said I had not gone to the other Mill to check the goods whether they have arrived there or not. I had marked the file to my subordinate.

Question—Who is that man?

Answer—He is Mr. James, Inspector of Industries. He kept the file somewhere and therefore it has not been pursued.

Question—Do you think that this is being diligently pursued?

Answer—I promise to submit my report within a week."

The Committee decided to refer to this matter in the report to the Assembly—
The Committee was informed that as for the recovery of Rs.1,50,241 from the Pakistan General Insurance Company, Lahore, in relation to the Mela Ram Cotton Mills, a sum of Rs. 1,60,000 had since been recovered in 5 instalments of Rs. 32,000 per month, that a sum of Rs. 32,000 was to be recovered in August, 1964 and that a sum of Rs. 62,000 had become barred by limitation. The Committee recommended that the Secretary of the Department should look into it and have it checked with the Audit and find out on whose negligence this large sum of money became time-barred and if possible to suggest ways and means for the recovery of this amount from the persons responsible. The Committee decided that this matter be placed before it when it considers the accounts for 1958-59.

5. Page 79, para 80-81. Government Tannery, Shahdara (In liquidation)—This item was dropped. 6. Page 46, para 53 & 56.
8 (i) Physical verification of closing stock—The item was dropped.

(ii) Revaluation of cost of old items—The Department explained that the old unsaleable stocks lying in the shop for the last 10 to 12 years have been revalued and have been disposed of or were being disposed of by clearance sales and public auction. The Committee decided that the Audit should verify the same and if the Audit considered it necessary the Department should bring this matter before the Committee when it considers the accounts for

the year 1958-59. While verifying, the Audit should please try to find out the extent of damage done and whether the Department had taken any pains to find out the offenders and if so, what action was taken against him.

Subject to the above, the item was dropped.

6. *Page 129, para. 130—Shortage of stores in Provincial Stationery Office, West Pakistan, Lahore*—The Committee was informed that there was a dispute regarding this item being treated as a commercial account and that the matter was being dealt with between the Finance Department and the Audit and a decision was likely to be taken shortly. The Committee decided that this item should come up before it when it considers the commercial accounts for the year 1958-59.

ELECTRICITY DEPARTMENT

1. *Page 8—10 paras. 17 (vi) and 18 (vi) non-preparation of Accounts of the Electricity Schemes in Peshawar and Dera Ismail Khan Divisions for the post integration period 1955-56, 1956-57 and 1957-58*—The Committee was informed that these accounts could be compiled only on receipt of certain records from the Audit and that these records were now made available. Mr. Jafferi, Member, Finance, WAPDA further stated that the preparation of these accounts would take some months. This being so, the Committee decided that these accounts should be prepared and audited and then included in the commercial accounts for subsequent years.

2. *Pages 19, para. 22 (i). Loss of Rs.8,785 due to robbery*—The Department explained that orders have now been issued to the effect that not more than Rs.500 should be placed in iron safes. The Committee decided that no further action was envisaged and the item was dropped.

3. *Page 19, para. 22 (ii). Embezzlement to the tune of Rs. 2,050*—In this case a sum of Rs.2,050 was embezzled. The accused was sentenced by the court and the money was recovered. The item was dropped.

4. *Page 19, para 22 (iii). Embezzlement of Rs.3,612*—In this case the official was sent to the court for trial but he was acquitted. The Department punished the official departmentally and recovered a sum of Rs.500 from him from his cash security. The item was dropped.

III. As the remaining departments did not furnish their working papers, the Committee decided to defer consideration of the explanations to 2nd and 3rd September, 1964.

LAHORE :
Dated 11th August 1964.

S. M. SOHAIL
Chairman,
Standing Committee on Public Accounts.

**PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE ON
PUBLIC ACCOUNTS HELD AT 9.00 A.M. ON THE SECOND OF
SEPTEMBER, 1964 IN THE 'TEA ROOM' OF THE ASSEMBLY
BUILDING, LAHORE**

I. The following were present:—

- (1) Mr. S. M. Sohail, M. P. A., .. Chairman.
- (2) Sardar Ahmad Ali M. P. A., .. Member.
- (3) Sardar Ghulam Muhammad Shah, M. P. A., .. Member.
- (4) Mr. Muhammad Akbar Khan, (Rais of Paniala).. Member.
M. P. A.,
- (5) Chaudhri Muhammad Iqbal, Secretary, Provincial.. ex-officio Secretary,
Assembly of West Pakistan.
- (6) Mr. S. M. Nasim, C. S. P., Additional Finance .. Expert Advisor.
Secretary, Government of West Pakistan.
- (7) Mr. A.A. K. Babar, P. A. & A. S., Director, .. By invitation.
Commercial Audit.
- (8) Mr. S. M. A. Subzwari, P. A. & A.S., Account .. By invitation.
tant-General, West Pakistan.
- (9) Malik Khuda Bux, Secretary, Agriculture, .. By invitation.
Government of West Pakistan.
- (10) Mr. S. M. A. Khan, C. S. P., Member Board of .. By invitation.
Revenue and Secretary to Government of West Pakistan,
Transport Department alongwith Mr. Abdul Qayyum,
Chairman, R. T. C.

II. The Committee considered the explanations of Agriculture and Transport Departments in respect of Audit objections and irregularities pointed out in the Commercial Accounts for 1957-58.

AGRICULTURE DEPARTMENT

1. *Pages 9 and 10 paras. 18(iii) (iv) (v)*—Non-preparation of Accounts of—
 - (i) Mechanical Cultivation Scheme in Quetta Region.
 - (ii) Agriculture Engineering Workshop, Tandojam and
 - (iii) Cold Storage at Baghbanpura (Lahore) and Sialkot in commercial form.

Agriculture Secretary explained that so far as the first two undertakings were concerned, the Director of Agriculture, Hyderabad Region has been asked to fix responsibility for delay in compilation of commercial accounts and also to take disciplinary action against the defaulters; that the persons who were responsible for the non-compilation of these accounts have been located and that action was being taken against them. As regards the third undertaking, he stated that as the undertaking was transferred to a private party in 1952, the accounts were not prepared; that the accounts for six months were only to be prepared and some officials were put on the job but the reaction was that the account being of a very old period, it was not reasonably possible to reconstruct it and present it in the commercial form as required by the Audit.

The Committee desired to know in due course from the Administrative Secretary the action taken by the Department against the officials who were responsible for non-compilation of the accounts of the first two undertakings.

The Committee then considered the question as to how the accounts were going to be got audited. Director of Commercial Audit informed the Committee

that the accounts which were available were such that they were not capable of commercial audit. He drew attention to one salient aspect of the accounts which is that assets of the organisations were not evaluated and the records of stocks and stores were also incomplete and were such that no worthwhile audit could be possible on that basis. The Agriculture Secretary stated that he was fully prepared to cooperate in the matter; that as the accounts are of old periods, he would request the Finance Department to make available to them officials as would be capable of doing the job.

The Committee took a serious and grave view of this position of the account as the accounts could not be prepared even after the expiry of three months time which the Committee had given for its preparation with the result that the Committee was still at the stage of examining the question of appointment of personnel for this work. It was found that there was no likelihood of this account being completed, audited and made available to the Committee for examination during the current year. The Committee, therefore, decided to refer this matter in the report.

2. *Page 8, para. 17—Item No. (ii) Non-preparation of Accounts of the Shisham Exploitation Scheme in Mardan District 1957-58*—Agriculture Secretary stated that as this was the first year of the taking over of the Scheme, the accounts could not be prepared, that accounts were prepared subsequently and submitted to the Audit. The Committee was satisfied with the explanation and dropped the para.

THE GOVERNMENT JALLO ROSIN AND TURPENTINE FACTORY, LAHORE

3. *Page 89—(i) Para. 90—Decrease in profit*—The attention of the Secretary was drawn towards the figures of production, sale and profit for the year 1954-55 to 1957-58, with a request from the Public Accounts Committee to look into it, and find out and check up if there was any rot. It might well be that these figures were because of so many factories in the market and on the side of production and might very well be accounted for. The Committee was, however, satisfied with the explanation of the Department and decided to drop the para.

(ii) *Para. 91—Fictitious Assets*—The explanation was found to be satisfactory and the para. was dropped.

(iii) *Para. 92—Increase in liabilities*—Agriculture Secretary stated that the Department was taking steps to reduce the liabilities, and in fact they had reduced the liability, from 20 lakhs to 6 lakhs, and that the Department will not relax endeavours to reduce this liability further. With this assurance from the Secretary of the Department the Committee decided to drop the para, but desired Audit to keep an eye and verify it.

(iv) *Para. 93—Fixation of limits of closing stocks of Stores*—The explanation of the Department was that the maximum and minimum limits had been fixed. The Committee decided that the Audit should verify this, subject to this, the para was dropped.

(v) *Para. 94—Store Accounts*—Agriculture Secretary assured the Committee that the accounts in respect of staves will now be included in the Store Accounts. The para. was dropped.

4. *Pages 108-109—Para. 104-110—Scheme for the Exploitation of Ephedra Plant in Quetta Region*—(i) *Para. 104—Decrease in profit*—Agriculture Secretary stated that the rates of sale and purchase of Ephedra are now fixed by calling

sealed tenders from the contractors who collect ephedra and from various firms desirous to purchase ephedra. This being so, the Committee felt that an element of competition will be introduced in the trade and it will be possible to carry on this business in a commercial manner, and there will be no more room left for arbitrary increase in collection charges. The Committee observed that as far as what has happened in the past, there does not appear to be any remedy except to look forward and effect corrections on the basis of past mistakes, which appears to have been done. This being so, the para. was dropped.

(ii) *Para. 105—Valuation of Stock*—In this case the Audit objection was that the stocks have been evaluated at the market rate, which happened to be the highest rate. Of the two rates, namely, the market rate and the cost, the norms of trade prescribed that in evaluation closing stocks, lesser of the two prices has got to be taken as a yardstick. Agriculture Secretary accepted this and he assured the Committee to issue instructions accordingly. The paragraph was dropped.

(iii) *Para. 106—Late preparation of Commercial Accounts*—This para was dropped as the necessary adjustments have already been done.

(iv) *Para. 107—Defective Accounting*—The explanation was found to be satisfactory and the item was dropped.

(v) *Para. 108—Physical verification of Stock*—As for the physical verification of stocks for the past years, the Committee observed that it was just not possible because the years have gone by. As for the future, the Agriculture Secretary promised that physical verification will be done as far as possible. The para. was dropped.

(vi) *Para. 109—Depreciation Charges*—The paragraph was dropped as the adjustment which was not done previously has now been done.

(vii) *Paragraph 110—Compilation of Accounts*—Agriculture Secretary stated the difficulties on account of which the accounts could not be compiled. He promised to seek the assistance of the Audit in compilation of the accounts. The Committee was satisfied with the explanation and the para. was dropped.

TRANSPORT DEPARTMENT

1. *Page 133—Paras. 136—139—Government Transport, Khairpur*—The Administrative Department accepted that it was a fact that physical verification of the stores was not carried out during 1955 as pointed out in the Audit report. The Chairman, R.T.C., stated that since 1955, there have been so many changes that it would be difficult to find out as to who were responsible for this and to punish them. He further pointed out that after the integration of the Province, the Road Transport Corporation took over this Organisation and that at this stage to make an attempt to find out the persons responsible for not carrying out physical check-up appeared to conduct a fruitless digging operation.

The Committee pointed out to the Chairman, R.T.C., that the Committee considered it of utmost importance that physical checks for Government stores, wherever they are conducted meticulously and rigidly at the close of financial year because failure to do so will always result in a heavy loss to Government. The Committee observed that in the accounts so far examined by it the Committee found that stores running into lakhs and crores have not been subjected to physical checks as a result of which inevitably there has been serious loss to Government. The Committee desired that these observations of the Committee should be circulated to all the Administrative Departments of Governments for their information. However, in the case under examination the Committee decided that it would not be proper to find out the officials responsible for not conducting the checkup in 1955 in the State of Khairpur which no more existed. The para. was, therefore, dropped.

2. *Page 142, paragraphs 147—151—Government Transport, Khairpur—*
The same remarks as at Item 1 above.

3. *Page 169, paragraphs 171 and 175—The Punjab Road Transport Board, Lahore—(i) Paragraph 171—Decrease in profit—*The Chairman, T.R.C., explained that the increase in the capital could not be utilised during the year on account of partly being received late and partly because the fleet which had to be purchased could not be available during the financial year. The Committee considered the explanation to be satisfactory and dropped the paragraph.

(ii) *Paragraph 175—Adjustment of Accounts—*The paragraph was dropped because the Department is pursuing this matter with the Audit.

4. *Page 214, paragraph 197—The Lahore Omnibus Service, Lahore—*This paragraph related to the valuation of stores consumed and the accounting thereon. The explanation given by the Department was found to be satisfactory and the para. was dropped.

5. *Pages 232, paras. 210, 211 and 213—The Punjab Transport Service, Rawalpindi—(ii) Paragraph 210—Sundry Debtors—*From the explanation of the Department, it appeared that an amount of Rs. 25,511 only had not been recovered and the rest of it has been realised. This amount of Rs. 25,511 is stated to be due from the Deputy Commissioner, Rawalpindi on account of buses supplied to the Government for Kashmiri refugees during 1947-48 and the proposal is that this amount should be written off. The Committee felt that this was a fit case that the amount be written off and the para. was dropped.

(ii) *Paragraph 211—Security Deposits—*In this case, certain amounts were outstanding against certain Government departments since 1948-49. This includes an amount which is to be realised from the Government of Kashmir. The Committee decided that the Road Transport Corporation should make all endeavours to realise the money. The Committee was of the view that there was no justification for writing off this amount with these observations; the para. was dropped.

(iii) *Paragraph 213—Cost of Stores—*The explanation was found to be satisfactory and the para. was dropped.

6. *Page 292 paragraph 252—256—The Punjab Road Transport Board, Body Building Workshop, Lahore—(i) Paragraph 254—Overhead Charges—*This matter pertains to a technical question whether the overhead charges at the Headquarter establishment should be proportionately spread over the Body Building Department. The Committee did not think that any change in the present mode of accounting was necessary. The para. was dropped.

(ii) *Para 256—Higher cost of production—*The Committee noticed that bus bodies built in the Workshop were costlier than the bus bodies built outside. The Chairman, R. T. C. made a valiant effort to defend the position by trying to impress the fact that the Department spends more money on giving more amenities to employees by way of electric fans, salaries and so on and so forth. The Committee was not satisfied with his explanation. The Committee observed that it was a well known fact that the goods produced directly under departments run by Government were costly than the goods made elsewhere. The Chairman, R. T. C. then stated that the buses manufactured in the Workshop were superior in quality than those manufactured outside. The Committee had serious doubts about this explanation also. The Committee was then informed by the Secretary, Transport Department that the proper thing to do would be to make a comparison of bus bodies manufactured in the departmental workshop for a period of three or four years as against similar bus bodies built outside the department for a similar period and then if it is found that the cost of production in the departmental Workshop is unreasonably higher in comparison to the work done outside

then it would certainly be proper to review the whole position and to think of making improvements whereby the cost of manufacture in the departmental workshop is reduced. The Committee commended this suggestion for the examination of the R. T. C. and the Chairman was requested to find out ways and means to see to it that the goods produced in the departmental workshop were both of better quality and cheaper than those produced outside for the necessary advantage which the Government should have by giving more amenities and more facilities to the employees, so that their goods should both be better and cheaper than what is produced elsewhere and by crude methods and under circumstances of lesser comforts and amenities. Subject to these observations the item was dropped.

7. *Page 310, para 270—The Punjab Road Transport Board, Lahore.* This para was dropped subject to the same observations as in respect of para 171.

8. *Page 324, paras 277-280 The Punjab Road Transport Board Headquarters Office, Lahore.*—The explanation was found to be satisfactory and the paras were dropped.

9. *Page 351 para 304, 305 and 306 Lahore Omnibus Service, Lahore*
Para 304—Unserviceable Tyres—In this case, the Chairman, R. T. C. had ordered piecemeal sale of unserviceable tyres in several lots spread over a period of one month. By this method the Chairman had indirectly done something which he could not do directly. The Committee observed that in a practice like this, there was inherent possibility of the dealings not being upto the mark and quite above the board. The Chairman, R. T. C. explained the position that was then prevailing and he tried to impress upon the Committee by saying that a team of two persons was appointed to survey these unserviceable tyres and as and when the reports of these surveyors were coming up, the Chairman was sanctioning their sale and although it happened that on one or two occasions he had passed orders for more than one lot which was tantamount to his having sanctioned beyond his limit, yet the position was that for the purpose of effecting grand clearance of these unserviceable tyres he had taken to this procedure.

The Committee observed that whatever might have been the motives and whatever might have been the results, the question still remains that things should not only be done correctly but they should also appear to have been done correctly; that in this case it did not appear to have been done correctly. The tyres having been sold out and having fetched a higher price by being sold in piecemeal than what they would have fetched if they had been sold in one lot. The Committee did not wish this matter to be pursued any further. The Committee, however, impressed that in future this practice is to be strictly avoided and care should be taken to operate well within the powers of the operating officer and jurisdiction should not be assumed by subordinate officers so as to divest higher authorities of their rightful jurisdiction.

With these observations, the para was dropped.

(ii) *Para 305—Unaccounted Stores*—The explanation was found to be satisfactory and the item was dropped.

(iii) *Para 306—Issue of Spare parts*—This para relates to Stores being issued to sister Services which were not billed for and no records of job cards, old parts disposal or repair register were maintained. The explanation was that there were heavy rains in 1955 and some portion of the Record Room was submerged, which destroyed the record. The Director, Commercial Audit, pointed out that it appeared during the audit inspections that identical parts had been issued to buses repeatedly on several times, which led to the suspicion that there was something hanky panky and particularly when the job cards, old parts disposal or repair registers were not available. The Committee observed that the story of the obliging rains, even if correct, did not

explain the entire position; that although the value of these goods was not known to the Committee, the principle involved was serious enough; that this was a fit case where every effort should be made by the Department to fix responsibility and mete out adequate punishment. Mr. Abdul Qayum, Chairman, R. T. C. assured the Committee that he will take necessary steps in this direction and report the action taken to the Committee in its next meeting when the Committee considers the accounts for the year 1958-59.

10. *Page 366 para 321—Shortage of Store worth Rs. 7,610 in Punjab Transport Service, Rawalpindi*—This para related to shortage of store worth Rs. 7,610. It appeared from the explanation of the Department that there was an excess of Rs. 7,783 also. The Committee was confronted with a position of shortage to the extent of Rs. 7,610 and an excess of Rs. 7,783. Both these points needed careful examination by the Department. Mr. Abdul Qayum, Chairman, R. T. C. assured the Committee that he would look into it personally and if somebody was found to have erred and the delinquency was of a serious nature, he would take suitable action.

With this assurance, the para was dropped.

11. *Pages 382-383 paras 331-340—the Punjab Transport Service, Lyallpur (i) Para 333—Stores Account*—This para related to stores, which needed physical verification and adjustment. The needful having been done, the para was dropped.

(ii) *Paras 336 and 337 Sundry Debtors and Sundry creditors*—These paras related to Sundry Debtors and creditors where a sum of Rs. 5,568 and another sum of Rs. 1,066 was to be realized. The reply of the Department was that the sum of Rs. 5,568 has been written off by Government and the Debts amounting to Rs. 1,066 did not pertain to the PRTB; that they related to the period as far back as 1949.

The explanation was found to be satisfactory and the para was dropped.

12. *Page 398 para 352—Treasury Account of the Punjab Transport Service, D. G. Khan*—In this case out of a sum of Rs. 4,10,876 a sum of Rs. 3,54,854 has been adjusted and Mr. Abdul Qayyum, Chairman, RTC has assured that he would take the strictest measures for the recovery of the balance.

With this assurance the para was dropped.

13. *Page 9 paras 17-18-Non-Maintenance of the Accounts—(i) Auxiliary Goods Service, Lahore (In liquidation) 1955-56 to 1957-58. (ii) Government Transport, Khairpur, 1957*. The explanation of the Department was considered to be satisfactory and the item was dropped.

III. The Committee then adjourned to meet at 9.00 a.m. on Thursday the 3rd September, 1964.

S. M. SOHAIL

Chairman,

Standing Committee on Public Accounts

Dated 2nd September, 1964

PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE ON
PUBLIC ACCOUNTS HELD AT 9 A.M. ON THE 3RD OF SEPTEMBER, 1964,
IN THE 'TEA ROOM' OF THE ASSEMBLY BUILDING, LAHORE

I. The following were present:—

1. Mr. S. M. Sohail, M.P.A. ... Chairman.
2. Sardar Ahmad Ali, M.P.A. ... Member.
3. Sardar Ghulam Muhammad Shah, M.P.A. ... Member.
4. Mr. Muhammad Akbar Khan, M.P.A. ... Member.
(Rais of Paniala).
5. Chaudhri Muhammad Iqbal, Secretary *ex-officio*
Provincial Assembly of West Pakistan Secretary.
6. Mr. S. M. Nasim, C.S.P., Additional Finance Expert Advisor.
Secretary.
7. Mr. S. M. A. Subzwari, P.A. and A.S., By invitation.
Accountant General West Pakistan.
8. Mr. A.A. K. Babar, P.A. and A.S., Director By invitation.
Commercial Audit.
9. Mr. A. R. Kazi, Secretary to Government By invitation.
of West Pakistan Irrigation and Power De-
partment.
10. Ch. Intiaz Ali, Additional Secretary By invitation.
(Excise and Taxation) Board of Revenue.

II. The Committee considered the explanations of the Excise and Taxation and Irrigation and Power Departments in respect of the audit objections pointed out in the Commercial Accounts of the Government of West Pakistan, for 1957-58 and the audit report thereon.

IRRIGATION AND POWER DEPARTMENT

1. *Page 9 para 17 Item No. (VII) Non-compilation of accounts Mughalpura Irrigation Workshop Division Mughalpura, Lahore.* In this case the Department claimed to have sent these accounts to the Director, Audit and Accounts (Works), West Pakistan, Lahore,—*vide letter No. 8436/225/4(a)*, dated 1st November 1962 and they have re-submitted it to the same authority on 17th June 1964. These accounts have not yet reached the Director, Commercial Audit, and therefore, they could not be audited by him. The Committee decided that the Department should send another copy of the Accounts direct to the Director, Commercial Audit and that the Director, Commercial Audit, should also obtain from the Director, Audit and Accounts (Works), the accounts already sent by the Department should complete the audit and place it before the Committee with his remarks, if any, along with the commercial accounts for the year 1962-63 in the next publication of the commercial accounts.

It was pointed out by the Director that these accounts pertained to the year 1957-58 and the Department submitted the accounts after a long delay on 1st November 1962. The Committee desired that care should be taken to prepare the accounts upto 1963-64 in record time and to submit the same to the Director Commercial Audit.

2. *Page 9 para 17 Item No. (VIII) Non-compilation of accounts of General and Steel Mills, Mughalpura, Lahore.* The Committee decided that the remarks at item 1 above should as far as possible may be applied to this para also.

EXCISE AND TAXATION DEPARTMENT

1. *Page 9, para 17, Item No. (IX) Non-preparation of the accounts of the Excise and Salt Department, Lahore.* The Director, Commercial Audit, stated that the accounts for Excise and Salt Department, Lahore had been received by him and were being incorporated in the Commercial Accounts for the next year. The para was dropped.

2. *Page 9, para 17, Item No. (X) Non-preparation of accounts of the Government owned Salt Stores at Sran.* The Additional Secretary (Excise and Taxation) Board of Revenue stated that as the records relating to this undertaking have been transferred to the WPIIDC the Department was not in a position to give any explanation in this matter. He suggested that the audit objection be referred to the WPIIDC. The Committee decided that the Director of Commercial Audit should ask the WPIIDC to prepare the accounts. The Committee further decided that the Industries and Commerce Department should report the action taken by the WPIIDC in the matter to the Committee when it considers the accounts for the next year.

III. The Committee then adjourned to meet again from 24th to 28th September, 1964.

S. M. SOHAIL

Dated Lahore the 3rd September 1964

Chairman,

Standing Committee on Public Accounts.

(Signature)

2927 PLA-750-10-1-65-SGPWP-Lahore