



REPORT

OF THE

PUBLIC ACCOUNTS COMMITTEE

ON REVIEW OF IMPLEMENTATION STATUS

OF PAC DIRECTIVES ON AUDIT REPORTS

FOR THE YEARS

1996-97, 1999-2000, 2000-01,

2005-06 & 2008-09

NATIONAL ASSEMBLY SECRETARIAT
ISLAMABAD

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COMPOSITION OF PUBLIC ACCOUNTS COMMITTEE

01.	Mr. Nadeem Afzal Gondal, MNA	Chairman
02.	Mr. Noor Alam Khan, MNA	Member
03.	Ch. Saeed Iqbal, MNA	Member
04.	Syed Ali Musa Gillani, MNA	Member
05.	Mr. Aftab Shaban Mirani, MNA	Member
06.	Syed Ghulam Mustafa Shah, MNA	Member
07.	Mrs. Rukhsana Bangash, MNA	Member
08.	Mrs. Yasmeen Rehman, MNA	Member
09.	Ch. Abid Sher Ali, MNA	Member
10.	Engineer Khurram Dastgir Khan, MNA	Member
11.	Khawaja Mohammad Asif, MNA	Member
12.	Mr. Zahid Hamid, MNA	Member
13.	Sardar Ayaz Sadiq, MNA	Member
14.	Mr. Riaz Fatyana, MNA	Member
15.	Mr. Hamid Yar Hiraj , MNA	Member
16.	Dr. Attiya Inayatullah, MNA	Member
17.	Mr. Akram Masih Gill, MNA	Member
18.	Mr. Wasim Akhtar, MNA	Member
19.	Mr. Abdul Rashid Godil, MNA	Member
20.	Mr. Asfandyar Wali, MNA	Member
21.	Mrs. Asiya Nasir, MNA	Member
22.	Mr. Noor-ul-Haq Qadri, MNA	Member
23.	Mr. Saeed Ahmad Zafar, MNA	Member
24.	Minister-in-Charge for Finance and Revenue	(Ex-Officio Member)

PREFACE

The National Assembly of Pakistan makes appropriations to various Ministries/Division of the Federal Government as well as to various Constitutional offices of the Federation through the Annual Budget. The Assembly also oversees the expenditure, through its Committee on Public Accounts, to satisfy itself that the expenditures incurred by the relevant organizations and institutions are in accordance with the sums appropriated by the Assembly and that the prescribed rules and regulations were followed in the incurrence of these expenditures. The PAC is assisted in the process, by the Auditor General of Pakistan, in examining its Reports on the Accounts of the Federation submitted to the Assembly, through President of Pakistan.

2. The current PAC has made an enormous effort to clear the backlog of Audit Reports for many years. To this end, the Committee followed a hectic schedule of meetings. It not only considered the Audit Reports and Appropriation Accounts for the years 2004-05 and 2006-07, but also attended to the arduous task of reviewing the implementation of PAC directives on the Audit Reports for the years 1996-97, 1999-2000, 2000-01, 2005-06, 2008-09. This was important, in order to ensure that necessary follow up actions were taken on the Committee directives. This Report is an account of the PAC sessions dedicated to reviewing the implementation of the Committee Reports for the years 1996-97, 1999-2000, 2000-01, 2005-06 and 2008-09.

3. The National Assembly Secretariat is graciously appreciative of the motivation and guidance provided by the Honorable Chairman PAC, Mr. Nadeem Afzal Gondal, MNA and other Members of the Committee in the accomplishment of this task including compilation of report for its presentation to the National Assembly.

Sd/-
Karamat Hussain Niazi
Secretary
National Assembly Secretariat

Islamabad, the 6th March, 2013

OVERVIEW

Following the election of its new Chairman in April, 2012 the Public Accounts Committee began consideration of Audit Reports and Appropriation Accounts for 2004-05 and 2006-07. In parallel to this main task, the Committee decided to take up the review of implementation of previous PAC directives for the years 1996-97, 1999-2000, 2000-01, 2005-06 and 2008-09.

2. During the period April 2012 - January 2013, the Committee held 23 meetings where implementation of previous Committee directives was reviewed. For paucity of time and enormity of task, only a limited number of Ministries/Divisions /Departments could be taken up for review. The Committee, therefore, made an effort to ensure that high risk institutions with large budgetary outlay, such as large electricity, gas and petroleum companies as well as other public sector enterprises and public service institutions were included in the review process.

3. The Committee observed with concern that numerous PAC directives had not been implemented despite the lapse of several years. This was due to the absence of a proper mechanism in the Government for implementation and follow up of PAC directives. It appeared that the implementation of these directives was left to junior officials dealing with accounts, who, on their own could not be expected to undertake the task without sufficient guidance from the PAO. The frequent changes of PAOs also adversely affected the process. The Committee, therefore, felt that a proper follow-up mechanism was direly needed in order to fully benefit from the Audit process.

4. The Committee further noted that the Ministries did not have a regular schedule of Departmental Accounts Committee (DAC) meetings. Such meetings were convened, not as a regular routine of the Ministries but only a few days ahead of the PAC meetings. Non-convening of timely DAC meetings delayed the resolution of issues and added further complications. It also prevented the PAOs from playing their due role in instituting timely corrective action. Overall it added to the work load of PAC, where paras were presented without any DAC findings/ recommendations, often resulting in

lengthy arguments from the Audit and the Department concerned. Such situations could be avoided through regular DAC meetings.

5. The Committee also noted that a large number of paras involving recoveries of large sums had not received due attention from the relevant staff of concerned institutions. Non recovery of these sums added to the already weak financial management of government departments. It also resulted in non-utilization of available financial resources, in a resource scarce country.

6. Similarly a large number of cases were pending in courts since long. The staff of Government departments did not follow a proactive approach in pursuing such cases. The leadership required from PAOs in this regard, appeared to be lacking, resulting in a somewhat casual attitude at the lower levels. The lawyers contesting these cases were not properly briefed. This led to lengthy and often unsuccessful litigation.

7. In view of the above findings, the Committee recommends the following measures to make the whole audit exercise more meaningful and objective:

- Ministries/Divisions should hold regular DAC meetings. These meetings should also encompass the review of previous PAC directives apart from considering the fresh Audit reports.
- Ministries/Division should put in place a proper system to follow up PAC recommendations/directives. Ministry of IT should assist Ministries/Divisions in putting in place automated systems for the purpose.
- Principal Accounting officers should periodically review the litigation portfolio of their Ministries /Division with a view to provide required leadership for speedy disposal of their cases in Courts of law.

8. The Committee expresses its appreciation and gratitude to the officers/officials of the Auditor-General of Pakistan and the PAC Secretariat for the assistance provided to the Committee in the process of review of implementation of PAC directives. The hard work put in the compilation of the Report by Mr. Khalid

Mehmood, OSD(PAC), Section Officers Mr. Asghar Jalal and Mr. Nabeel Ahmad, Rai Safdar, Assistant and Mr. M. Masood Iqbal, LDC is acknowledged and commended.

9. The PAC approved the Report in its meeting held on 6th March, 2013.

Nadeem Afzal Gondal
Chairman
Public Accounts Committee

Karamat Hussain Niazi
Secretary
National Assembly Secretariat

Islamabad, the 6th March, 2013

CABINET DIVISION

CAPITAL DEVELOPMENT AUTHORITY (CDA)

ACTIONABLE POINTS - 31ST JULY, 2012

1. **REPORT OF THE PAC FOR THE YEAR 1996-1997**
 - i. **PARA A-I.1, PAGE 25-ARCW**
OVERPAYMENT OF RS 27,814,051/-
 - ii. **PARA A-II.1, PAGE 26-ARCW**
OVERPAYMENT OF RS 146,545/-
 - iii. **PARA A-III.1, PAGE 27-ARCW**
OVERPAYMENT OF RS 236,162/-
 - iv. **PARA B-II.1, PAGE 30-ARCW**
NON-RECOVERY OF RS 95,645/-
 - v. **PARA C-II.II PAGE -ARCW**
WASTEFUL EXPENDITURE OF RS.0.830 MILLION
 - vi. **PARA C-III.2, PAGE 33-ARCW**
LOSS OF RS.651,937/-
 - vii. **PARA C-IV.1, PAGE 66-67-ARCW**
LOSS/NON-RECOVERY OF RS. 19.389 MILLION
 - viii. **PARA C-V.1, PAGE 66-67-ARCW**
UNDUE BENEFIT WORTH RS.9,694,895/-
 - ix. **PARA C-VI.2, PAGE 35-ARCW**
LOSS OF RS. 248,000/-
 - x. **PARA D-IV.2, PAGE 43-ARCW**
FICTITIOUS PAYMENT OF RS.700,000/-
2. **REPORT OF THE PAC FOR THE YEAR 1999-2000**
 - i) **PARA 4.13, PAGES 33-34-AR**
NON-ACCOUNTAL OF MATERIAL OF RS 0.191 MILLION
 - ii) **PARA 5.4, PAGE 40-AR**
IRREGULAR PAYMENT OF RS 1.300 MILLION
 - iii) **PARA 6.13, PAGE 50-AR**
NON-RECOVERY OF RENT OF RS 0.965 MILLION

- iv) PARA 6.25, PAGE 57-AR
NON-RECOVERY OF RS 0.166 MILLION
- v) PARA 7.2, PAGE 60-AR
BLOCKADE OF GOVERNMENT MONEY OF RS 132.382 MILLION
- 3. REPORT OF THE PAC FOR THE YEAR 2000-2001
 - i) PARA 3.3 - PAGE 22-ARW
NON-RECOVERY OF RS 0.930 MILLION
 - ii) PARA 6.2 - PAGE 48-AR
LOSS OF RS 0.102 MILLION
 - iii) PARA 7.2 -PAGE 49-AR
IRREGULAR PAYMENT RS 0.474 MILLION
- 4. REPORT OF THE PAC FOR THE YEAR 2005-2006
 - i) PARA 1.11 - PAGE 8-AR
NON RECOVERY OF COST OF GAS AND ELECTRICITY FROM ALLOWANCE RS 67.5 MILLION
 - ii) PARA 1.14 - PAGE 11-AR
NON-RECOVERY ON ACCOUNT OF COST OF PLOT AND DELAYED PAYMENT CHARGES RS.34.6 MILLION.
 - iii) PARA 1.15 - PAGE 11-AR
NON-RECOVERY OF PROPERTY TAX RS.16.2 MILLION
 - v) PARA 1.19 - PAGE 14-AR
LOSS DUE TO NON-DEDUCTION OF REBATE RS 12.1 MILLION
 - vi) PARA 1.23 -PAGE 17-AR
NON-RECOVERY, RS.8.707 MILLION
 - vii) PARA 1.33 - PAGE 23-AR
NON-REALIZATION OF RENT AND LICENSE FEE RS.5.327 MILLION
 - viii) PARA 1.41 - PAGE 29-AR
NON-RECOVERY, OF RECEIPT - RS.1.8 MILLION
 - ix) PARA 1.48 - PAGE 34-AR
UNJUSTIFIED GRANT OF WASTAGE FACTOR -RS.1.2 MILLION
 - x) PARA 1.50 - PAGE 35-AR
INADMISSIBLE PAYMENT OF RS.0.11 MILLION

- xi) **PARA 1.52 - PAGE 36-AR**
LOSS DUE TO NON-FULFILLMENT OF CONTRACTUAL OBLIGATION
RS 0.985 MILLION
- xii) **PARA 1.55 - PAGE 38-AR**
NON-RECOVERY OF SERVICEABLE MATERIAL - RS.0.934 MILLION
- xiii) **PARA 1.56 - PAGE 39-AR- Rs. 0.636 MILLION**

PAC DIRECTIVE

The Committee settled the above paras.

For the remaining paras the Committee directed the PAO to hold DAC and discuss all the issues, resolve them and report to the PAC within one week.

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MINISTRY OF CLIMATE CHANGE

ACTIONABLE POINTS – 31ST AUGUST, 2012

AUDIT REPORT PUBLIC SECTOR ENTERPRISES (2005-2006)

**1. PARA No.54.3-ARPSE-2005-2006
PAKISTAN ENVIRONMENTAL PLANNING AND ARCHITECTURAL
CONSULTANT (PVT) LIMITED**

Audit pointed out that professional fee receivable (un-secured) amounting to Rs.16.440 million as on June 30, 2005, remained static for the last two years. Provision for doubtful debts worth Rs.5.298 million was made in the accounts which indicated poor debt collection policy.

The PAO informed the Committee that following the directives of the PAC dated 21-05-2009 and recommendations of the DAC meetings, all out efforts; even at the highest level in the Ministry, were made to recover the receivables but still Rs.7.7 million was outstanding up to 2005 and Rs.51.8 million afterwards. However, the Ministry was committed to continue its struggle and to affect recoveries of the remaining amount.

PAC DIRECTIVE

The Committee directed the PAO to recover all the outstanding receivables from all concerned within one month and report to Audit/PAC.

AUDIT REPORT (FEDERAL GOVERNMENT) (2008-2009)

**2. PARA No.5.1, PAGE 40-ARFG-2008-2009
POOR EXECUTION OF THE PROJECT WITH APPROVED COST OF RS.133.4
MILLION**

Audit pointed out that Activity Based Capacity Development (ABCD) Project was launched by the Ministry Environment in 2005 with the object of supporting

environmental agencies in Pakistan and AJK to improve their environmental regulatory compliance and enforcement mechanism. Project remained partially functional though its implementation had started in 2005 primarily for failure in recruitment. Despite several advertisements having considerable outlay, only 30 persons were recruited against 99 posts. Even, while revising the Project in October 2008, the management did not address this issue.

The fundamental issue of stake-holders' ownership remains to be addressed and that the Project would not deliver planned outcome even if the latest recruitment effort is successful as the Project was going to be closed by 30th June, 2010. Thus, the money wasted needs to be justified.

The PAO informed the Committee that the delay in recruitment was occurred due to changing recruitment policy by the government. However, in compliance of the PAC's directives dated 15-06-2010, the matter was inquired and the inquiry report has been submitted the PAC Secretariat.

PAC DIRECTIVE

The Committee directed the PAO to hold a fresh inquiry into the matter, fix responsibility against the concerned person (s), take action and report to PAC/Audit within 15 days.

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MINISTRY OF DEFENCE

ACTIONABLE POINTS – 8TH AUGUST, 2012

FINANCIAL YEAR -1996-97

1. i **PARA-1 PAGE-28 AR 1996-97**
MISUSE OF GOVERNMENT VEHICLES BY NON-ENTITLED PERSONS
AND RECOVERY OF RS. 342,530

FINANCIAL YEAR -2000-01

- ii **PARA-1.1 (PAGE-6) AR 2000-01**
THEFT OF STORE ITEMS - Rs. 2.765 MILLION
- iii. **PARA-1.3 (PAGE-7) AR 2000-01**
THEFT OF CASH FROM THE CHEST/SAFE - Rs. 0.633 MILLION
- iv. **ARA-1.7 (PAGE-10) AR 2000-01**
LOSS DUE TO FIRE INCIDENT IN MURREE OFFICE - RS. 3.232
MILLION
- v. **PARA-3.3 (PAGE-21) AR 2000-01**
IRREGULAR EXPENDITURE ON MAINTENANCE OF FLEET OF
HEAVY VEHICLES - RS. 2.546 MILLION

PAC DIRECTIVE

The Committee directed the PAO to resolve all the issues mentioned in above paras in DAC within 10 days and report to the PAC.

2. **PARA-2.1 (PAGE-18) AR 2000-01**
RECOVERY ON ACCOUNT OF UNAUTHORIZED TELEPHONE
CONNECTIONS – RS. 0.482 MILLION

PAC DIRECTIVE

The Committee referred the para to DAC and directed the PAO to reconcile the amount within ten days. In case of non-regularization of amount, the recovery should be made from the concerned officer within 20 days.

3. **PARA-1.2 (PAGE-7) AR 2000-01**
EMBEZZLEMENT BY NON-DEPOSIT OF FULL AMOUNT INTO PUBLIC
ACCOUNT - RS. 0.570 MILLION

PAC DIRECTIVE

The Committee directed the PAO to pursue the case vigorously in the court of law.

4. i. **PARA-1.17 (PAGE-17) AR 2000-01**
FICTITIOUS AND UN-AUTHORIZED EXPENDITURE ON ACCOUNT OF
TRANSPORTATION OF GOVERNMENT STORES – RS. 0.126 MILLION
- ii. **PARA-4.3 (PAGE-25) AR 2000-01**
RETENTION/BLOCKADE OF GOVERNMENT MONEY ON ACCOUNT
OF PAID JOB WORK OF 21 TOWNS - RS. 1.506 MILLION

PAC DIRECTIVE

The Committee settled the above two paras.

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ECONOMIC AFFAIRS DIVISION

ACTIONABLE POINTS – 30TH AUGUST, 2012

AUDIT REPORT FOR THE YEARS -2005-06

1. **GRANT NO.161 AUDIT YEAR 2005-06**
EXTERNAL DEVELOPMENT LOANS AND ADVANCES BY THE FEDERAL GOVERNMENT.

PAC DIRECTIVE

The Committee regularized the grant and directed that excess and saving should be zero in future.

AUDIT REPORT FOR THE YEAR 2006-7

2. **PARA – 5.1 (PAGE-12) AR-2006-07**
PARALLEL ACCOUNTING SYSTEMS AND DIFFERENCE IN OUTSTANDING LIABILITY BETWEEN EAD DATA AND THOSE APPEARING IN THE LENDER RECORDS

The PAC in its meeting held on 16-02-2009 was not satisfied and constituted an IDC comprising representatives from Finance Division, Economic Affairs division, AGPR and from Audit Department to come up with a report comprising a whole systematic analysis and suggestions on how to verify the data base within two months, the IDC examined the matter in the light of PAC directive and explained the findings before the Committee.

PAC DIRECTIVE

The Committee settled the para after detailed discussion and directed the PAO to submit a comprehensive report to PAC in a month about systematic analysis and reforms.

3. **PARA – 5.2 (PAGE-14) AR 2006-07**
OUTDATED, POLICIES AND PROCEDURAL MANUAL

PAC DIRECTIVE

The Committee settled the para.

4. **PARA – 5.4 (PAGE-15) AR – 2006-07**
NON-PAYMENT OF THE AMOUNT OF EXPORTS CREDITS (PRINCIPAL AND INTEREST) AMOUNTING TO US\$ 153.729 MILLION

The PAC in its meeting held on 16-02-2009 and 17-07-2011 directed the PAO to pursue the case of recovery through M/o Finance and M/o Foreign Affairs as early as possible. The Committee expressed its displeasure and directed the PAO to make all efforts for recovery and report to Committee within two months.

The PAO apprised the Committee that the outstanding amount/recoveries against the borrowers could not be recovered due to financial crisis being faced by the poor countries.

PAC DIRECTIVE

The Committee pended the para. The Committee directed the PAO to submit the list/report of all those officers holding ex-officio positions/portfolios in the Boards of foreign Bodies/Donors.

AUDIT REPORT FOR THE YEARS -1996-97

5. **PARA-2 (PAGE-40 AR) AR 1996-97**
RECOVERY OF EXCESS PAYMENT OF TELEPHONE CHARGES WORTH Rs.425, 149/-.

PAC DIRECTIVE

The Committee referred the issue to be resolved in DAC with a report to PAC.

AUDIT REPORT FOR THE YEARS -2000-01

6. **PARA-3.5 (PAGE-38) AR 2000-01 (GOVERNANCE SERIES REPORT # 2-2002) RECOVERIES OF OUTSTANDING FOREIGN DEBT RS. 2,648.401 MILLION FROM PRIVATIZED BUSINESS UNITS.**

PAC DIRECTIVE

The Committee pended the para and directed that the PAO should ensure the recovery to be made within a week, duly verified by the Audit.

7. **PARA-3.6 (PAGE-43) AR 2000-01 (GOVERNANCE SERIES REPORT # 2-2002) NON RECOVERY OF GUARANTEE FEE FROM AUTONOMOUS BODIES/CORPORATIONS.**

PAC in its meeting held on 18-01-2007 directed the PAO to resolve the issue with the help of M/o Finance and report the outcome to the Committee/Audit within three months. The PAO apprised the Committee that letters were written to Finance Division on 8th August, 2012 and June, 2012 to deduct the amount which was to be paid to WAPDA.

PAC DIRECTIVE

The Committee directed the PAO to resolve the issue with Finance Division and send report within fifteen days to the PAC.

8. **PARA-3.7 (PAGE-44) AR 2000-01 (GOVERNANCE SERIES REPORT # 2 - 2002) OUTSTANDING LOAN AGAINST M/S SHAUKAT KHANUM MEMORIAL TRUST LAHORE.**

The PAC in its meeting held on 18-01-2007 directed the PAO to implement the DAC recommendations and report to the Committee within one month.

The PAO apprised the Committee that documents have been provided to Audit for verification.

PAC DIRECTIVE

The Committee directed the PAO to verify the recovery from Audit within a week and report to the PAC.

9. **PARA-3.9 (PAGE-49) AR 2000-01 (GOVERNANCE SERIES REPORT # 2 - 2002) SECOND RURAL ELECTRIFICATION IN BALOCHISTAN, LOAN NO.K.F.448 AMOUNTING TO KD 5 MILLION FROM,"KUWAIT FUND FOR ARAB ECONOMIC DEVELOPMENT".**

The PAC in its meeting held on 18-01-2007 settled the para, however, the Committee directed the WAPDA and M/o Planning & Development to use all available loans to electrify far flung areas of the country as early as possible.

PAC DIRECTIVE

The Committee settled the para, subject to verification by Audit.

10. **PARA-3.11 (PAGE-51) AR 2000-01 (GOVERNANCE SERIES REPORT # 2 - 2002) FOREIGN LOAN OF RS.32,538.349 MILLION AGAINST PUBLIC SECTOR ENTERPRISES AS ON 30.06.2000.**

The PAC in its meeting held on 18-01-2007 directed the PAO to implement the DAC recommendations and report to the Committee within one month. Audit pointed out that the amount has been recovered but documents are not being submitted by the Ministry for verification by the Audit.

PAC DIRECTIVE

The Committee pended the Para and directed the PAO to verify the recovery/documents from Audit within a week and submit report to PAC along with list of all those PAOs who failed to execute the projects despite availability of

funds/loans arranged by EAD causing loss to exchequer in terms of interest charges, commitment charges.

AUDIT REPORT FOR THE YEARS -2008-09

**11. PARA-4.1 (PAGE-35) AR-2008-09
NON-RECOVERY OF RELNT LOANS, RS.21, 987 MILLION**

The PAC in its meeting held on 8.12.2010 settled the para subject to verification of Finance Division's report in the matter by Audit. The PAO apprised the Committee that the matter of recovery was pending with the Finance Division as the recovery has not been made.

PAC DIRECTIVE

The Committee pended the Para and directed the PAO to take up the matter with the Finance Division for its resolution and report to PAC within ten days.

**12. PARA-4.2 (PAGE-35) AR-2008-09
LAPSE OF GRANTS – US\$ 568 MILLION DURING THE PERIOD JANUARY 2000-JUNE 2008.**

The para was discussed at length. The stance of EAD was agreed by Audit that the monitoring mechanism of the utilization of grants is beyond the purview of EAD as per Rules of Business. It was further explained that EAD just keeps record / data of disbursement for purpose other than the monitoring of utilization of grants. The matter is already examination of the Committee established under the Chairmanship of Secretary, EAD on the direction of PAC. Recommendations of the Committee will be furnished to PAC with the request for necessary action. However, present status of the grants referred in Audit Para was shown to Audit. DAC recommended the Para for settlement on the basis of above explanation.

The PAC in its meeting held on 14-12-2010 directed to keep it pending till verification by Audit of the present status of Grants and finalization of the IDC report on the issue. It was also directed that the report may also define the role of Economic Affairs Division.

The PAO apprised the Committee that 37 Grants were fully disbursed.

PAC DIRECTIVE

The Committee referred the para to DAC for verification and report to the PAC within one month.

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MINISTRY OF EDUCATION AND TRAINING

ACTIONABLE POINTS – 30TH AUGUST, 2012

(AUDIT REPORT FOR THE YEAR 2000-01

1.
 - i. **PARA-2.3 PAGE-7 (SAR # 166 UNESCO 2000-01)**
MISUSE OF UNESCO FUNDS BY MEETING THE DEPARTMENTAL CHARGES RS. 1.742 (M)
 - ii. **PARA-2.4 PAGE-8 (SAR # 166 UNESCO 2000-01)**
IRREGULAR/UNAUTHORIZED EXPENDITURE OF Rs. 1.194 (M) ON THE PRINTING/PUBLISHING OF MAGAZINE 'PYAMI'
 - iii. **PARA-2.5 PAGE-9 (SAR # 166 UNESCO 2000-01)**
UN-AUTHORIZED EXPENDITURE OF Rs. 0.555 (M) PURCHASE OF A CAR FROM UNESCO FUNDS.
 - iv. **PARA-2.6 PAGE-9 (SAR # 166 UNESCO 2000-01)**
NON-MAINTENANCE OF THE PROJECTS RECORD.
 - v. **PARA-2.7 PAGE-11 (SAR # 166 UNESCO 2000-01)**
IRREGULAR / UN-AUTHORIZED APPOINTMENT/ PROMOTION OF THE STAFF, VIOLATION OF SERVICE RULES AND OTHER POINTS
 - vi. **PARA-4.2 PAGE-16 (SAR # 166 UNESCO 2000-01)**
NON-PRODUCTION OF RECORD OF Rs. 17.104 (M)
 - vii. **PARA-4.3 PAGE-17 (SAR # 166 UNESCO 2000-01)**
NON-PRODUCTION OF RECORD OF Rs. 18.570 (M)
 - viii. **PARA-4.4 PAGE-19 (SAR # 166 UNESCO 2000-01)**
NON PRODUCTION OF DETAIL OF BANK ACCOUNT NO 4154.

The PAO apprised the Committee that DAC could not be held on these paras due to engagement of officers of the Ministry and Audit Department. Audit pointed out that DAC relating to Federal Board had been held with the Ministry.

It will be better that verification be made after compliance on the PAC directives. The PAO also apprised the Committee that compliance on five years had been done on the PAC directives. He requested the Committee to grant two weeks time to resolve the issues on the above mentioned paras.

PAC DIRECTIVE

The Committee directed the PAO to discuss the above 8 paras in DAC and report to the PAC within 2 weeks

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ESTABLISHMENT DIVISION

ACTIONABLE POINTS - 30TH JULY, 2012

**SPECIAL AUDIT REPORT NO.110 (NATIONAL INSTITUTE OF PUBLIC
ADMINISTRATION QUETTA-2000-2001)**

1. i) **PARA 3.3 (PAGE-9) SAR NO. 110-2000-01
UNAUTHORIZED/IRREGULAR EXPENDITURE ON ACCOUNT OF
TRAVELLING ALLOWANCE – Rs. 6.512 MILLION**
- ii) **PARA 3.6 (PAGE-11) SAR NO. 110-2000-01
UNAUTHORIZED EXPENDITURE ON ACCOUNT OF 23RD ADVANCE
MANAGEMENT COURSE – Rs. 0.305 MILLION**
- iii) **PARA 5.1 (PAGE-12) SAR No. 110-2000-01
RECOVERY ON ACCOUNT OF UNAUTHORIZED PAYMENT OF
HONORARIA – Rs. 0.018 MILLION**
- iv) **PARA 7.1 (PAGE-14) SAR NO. 110-2000-01
LOSS DUE TO NON-CLEARANCE OF BANK ACCOUNT NO. 1934 –
Rs. 0.197 MILLION**

PAC DIRECTIVE

The Committee settled the above four paras.

2. i) **PARA 1.1 (PAGE-4) SAR No. 110-2000-01
EMBEZZLEMENT BY TAMPERING OF CHEQUES – Rs. 11.271
MILLION**
- ii) **PARA 1.2 (PAGE-5) SAR No. 110-2000-01
EMBEZZLEMENT DURING THE ABSENCE OF ACCOUNTS OFFICER
– Rs. 3.464 MILLION**
- iii) **PARA 2.1 (PAGE-6) SAR No. 110-2000-01
MISAPPROPRIATION BY NOT DEPOSITING THE FUNDS IN
RELEVANT BANK ACCOUNT – Rs. 4.415 MILLION**

- iv) **PARA 2.2 (PAGE-7) SAR No. 110-2000-01**
MISAPPROPRIATION ON ACCOUNT OF EXPENDITURE WITHOUT
SUPPORTING DOCUMENTS – Rs. 1.838 MILLION

- v) **PARA 4.1 (PAGE-12) SAR No. 110-2000-01**
IRREGULAR EXPENDITURE ON PURCHASE OF STORES – Rs. 0.700
MILLION

PAC DIRECTIVE

The Committee settled the above five paras subject to verification of record by the Audit within ten days.

- 3. i) **PARA 3.1 (PAGE-7) SAR No. 110-2000-01**
UNAUTHORIZED RETENTION OF RECEIPTS IN SCHEDULED BANKS
– RS. 26.101 MILLION

- ii) **PARA 3.2 (PAGE-8) SAR No. 110-2000-01**
UNAUTHORIZED EXPENDITURE OUT OF GOVERNMENT RECEIPTS
– RS. 25.665 MILLION

- iii) **PARA 3.4 (PAGE-10) SAR No. 110-2000-01**
IRREGULAR TRANSFER OF FUNDS FROM ASSIGNMENT ACCOUNT
TO RECEIPT ACCOUNT – RS. 1.240 MILLION

- iv) **PARA 3.5 (PAGE-10) SAR No. 110-2000-01**
UNAUTHORIZED EXPENDITURE DUE TO NON-SURRENDER OF
SAVINGS – RS. 0.662 MILLION

- v) **PARA 6.1 (PAGE-13) SAR No. 110-2000-01**
NON-PRODUCTION OF RECORD

PAC DIRECTIVE

The Committee directed the PAO to resolve issues in the above paras in DAC within ten days and report to PAC.

PAC REPORT FOR THE YEAR 2008-09

15. **PARA 6.1 (PAGE-44) AR 2008-09 (2007-08)**
OVERPAYMENT DUE TO WRONG FIXATION OF PAY OF MEMBERS OF
FEDERAL PUBLIC SERVICE COMMISSION – Rs. 1.556 MILLION

PAC DIRECTIVE

The Committee settled the para.

16. **PARA 6.2 (PAGE-44) AR 2008-09 (2007-08)**
NON-RECOVERY FROM OFFICERS WHO DID NOT SUBMIT THEIR
DEGREES AFTER RETURNING FROM TRAINING ABROAD OR RESIGNED
BEFORE COMPLETING 5 YEARS SERVICE PERIOD AFTER TRAINING – Rs.
13.320 MILLION

The PAO informed that three cases have been closed by virtue of recovery of Rs.4 million. He also admitted that there should be no compromise on the issue and disciplinary proceedings will be initiated under E&D Rules against all defaulters.

PAC DIRECTIVE

The Committee directed the PAO to hold DAC within ten days, resolve the issue and report to the PAC. The Committee also directed the PAO that all other pending PAC directives may be discussed in the DAC for compliance and report to PAC within ten days.

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FEDERAL BOARD OF REVENUE

ACTIONABLE POINTS - 6TH AUGUST, 2012.

AUDIT REPORT FOR THE YEAR -1996-97

1. **GRANT NO.51. LAND CUSTOMS AND CENTRAL EXCISE
(SAVING OF RS.106,915,718)- AR-1996-97**

PAC DIRECTIVE

The Committee showed its concern for not fully complying on its previous directives and pended the Grant till its next meeting. The Committee directed the PAO to conduct DAC, fix responsibility, recover the amount and report to the PAC within a month. The Committee also directed the PAO, Federal Board of Revenue to settle the long outstanding issue relating to access to data of PRAL by making a modus operandi in consultation with the Audit and report to the PAC within ten days.

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MINISTRY OF HOUSING AND WORKS

ACTIONABLE POINTS - 11th SEPTEMBER, 2012

AUDIT REPORT WORKS (FEDERAL) 1996-97 PAK P.W.D

1. i. **PARA NO.A-II-4**
OVERPAYMENT OF RS.0.174 M
- ii. **PARA NO B-I-I**
NON-RECOVERY RS.1.238 M
- iii. **PARA NO C-VI-I**
LOSS OF RS.0.500 M
- iv. **PARA NO A-II-I**
OVERPAYMENT OF RS.0.073 M
- v. **PARA NO B-II-I**
NON-RECOVERY OF RS.0.119 M

PAC DIRECTIVE

The Committee directed the PAO to recover all the outstanding amounts relating to above mentioned five paras, get them verified from the Audit and report to the PAC within 15 days.

AUDIT REPORT WORKS (FEDERAL) 1999-2000 (PAK P.W.D)

2. i. **PARA NO. 1.**
MIS-APPROPRIATION OF COMMERCIAL PROPERTY OF RS.6.000 M
- ii. **PARA NO. 3.**
OVERPAYMENT OF RS0.322 M
- iii. **PARA NO. 22.**
NON-RECOVERY RESULTED IN LOSS OF RS.1.022 M
- iv. **PARA NO.25**
LOSS OF RS.0.424 M

- v. PARA NO.28
LOSS OF RS.0.25 M
- vi. PARA NO.47
LOSS OF RS.0.514 M
- vii. PARA NO.75
NON-RECOVERY OF OUTSTANDING RENT RS.14.286 M
- viii. PARA NO.76.
NON-RECOVERY OF STANDARD RENT RS.6.416 M
- ix. PARA NO.77.
NON-RECOVERY OF RS.4.498 M
- x. PARA NO.80.
NON-RECOVERY OF RS.0.762 M
- xi. PARA NO.81.
NON-RECOVERY OF RS.0.643 M
- xii. PARA NO.85.
NON-RECOVERY OF RS.0.205 M
- xiii. PARA NO.90
LOSS OF RS.0.091 M
- xiv. PARA NO.91.
NON-RECOVERY OF RS.0.063 M
- xv. PARA NO.5.1
IRREGULAR/UN-AUTHORIZED ALLOTMENT OF GOVT.
ACCOMMODATION TO NON-ENTITLED OFFICERS AND NON-
RECOVERY OF STANDARD RENT RS.1.129 M
- xvi. PARA NO.5.2
LOSS TO GOVERNMENT DUE TO NON-RECOVERY OF RENT AND
NON-DEDUCTION OF 5% HOUSE RENT ALLOWANCE FROM NON-
ENTITLED OCCUPANT RS.4.769 MILLION.

PAC DIRECTIVE

The Committee directed the PAO to recover all the outstanding amounts relating to above mentioned 16 paras, get them verified from the Audit and submit report to the PAC within 15 days.

AUDIT REPORT WORKS (FEDERAL) 2000-01 (PAK P.W.D)

3. i. **PARA NO.3.3**
LOSS OF RS.2.507 M
- ii. **PARA NO.3.4**
NON-RECOVERY OF STANDARD RENT RS.12.042 M
- iii. **PARA NO.3.6**
LESS RECOVERY OF RS.0.025 M
- iv. **PARA NO.3.9**
NON-RECOVERY OF RS.0.506 M
- v. **PARA NO.5.16**
LESS RECOVERY OF RS.1.087 M
- vi. **PARA NO.5.17**
NON-RECOVERY OF RS. 0.152 M

PAC DIRECTIVE

The Committee directed the PAO to recover all the outstanding amounts relating to above mentioned six paras, get them verified from the Audit and submit report to the PAC within 15 days.

AUDIT REPORT WORKS (FEDERAL) 2005-06 (PAK P.W.D)

4. i. **PARA NO.5.2**
NON-RECOVERY OF WATER CHARGES 158.4 M
- ii. **PARA NO.5.10**
UNJUSTIFIED SEPARATE PAYMENT FOR TACK COAT RS.3.2 M

- iii. **PARA NO.5.25**
UN-JUSTIFIED PAYMENT UN-WANTED SEAL COAT 0.304 M
- iv. **PARA NO.5.35**
NON-RECOVERY OF RENT OF SHOPS / STORE DISPENSARY
RS.3.5 M
- v. **PARA NO.5.37**
NON-RECOVERY OF STANDARD RENT FROM NON-ENTITLED
DEPARTMENT OF RS.2.2 M
- vi. **PARA NO.5.39**
NON-RECOVERY OF RENTAL CEILING FOR UN-AUTHORIZED
RETENTION RS.1.00 M
- vii. **PARA NO.5.40**
NON-RECOVERY OF RENT FROM UN-AUTHORIZED OCCUPANTS
RS. 0.723 M

PAC DIRECTIVE

The Committee directed the PAO to recover all the outstanding amounts relating to above mentioned seven paras, get them verified from the Audit and submit report within 15 days by holding DAC within 7 days.

AUDIT REPORT WORKS (FEDERAL) 2008-09 (PAK P.W.D)

- 5. i. **PARA NO.3.4.2.2**
NON-RECOVERY OF RISK & COST CHARGES RS.11.3 M
- ii. **PARA NO.3.4.1.4**
NON-RECOVERY OF MOBILIZATION ADVANCE 8.8 M
- iii. **PARA NO.3.4.1.3**
NON-RECOVERY OF MOBILIZATION ADVANCE 9.3 M
- iv. **PARA NO.3.4.5.1**
NON RECOVERY OF EXCAVATED DISMANTLED STONES 1.2 M
- v. **PARA NO.3.4.1.5**
NON-RECOVERY OF MOBILIZATION ADVANCE RS.3.7 M

PAC DIRECTIVE

The Committee directed the PAO to recover all the outstanding amounts relating to above mentioned five paras, get them verified from the Audit and submit report within 15 days by holding DAC within 7 days.

AUDIT REPORT YEAR 1996-97

6. i. **PARA NO. A-I-I**
OVERPAYMENT OF RS.28.862 M
- ii. **PARA NO. A-II-I**
OVERPAYMENT OF RS.1.366 M
- iii. **PARA NO. A-IV-6**
OVERPAYMENT OF RS.0.126 M
- iii. **PARA NO. B-VII-I**
NON-RECOVERY OF RS.0.798 M
- iv. **PARA NO. C-1-5 LOSS OF RS.0.239 M**
- v. **PARA NO. C-III-I LOSS OF RS.13.396 M**
- vi. **PARA NO. C-IX-I LOSS OF RS.115 M**
- vii. **PARA NO. B-I-I**
NON-RECOVERY OF RS.1.166 M
- viii. **PARA NO. B-I-2**
NON-RECOVERY OF RS.0.903 M
- ix. **PARA NO. B-I-3**
NON-RECOVERY OF RS.0.711 M
- x. **PARA NO. B-I-4 LOSS OF RS.0.422 M**
- xi. **PARA NO. B-I-5**
NON-RECOVERY OF RS.0.211 M
- xii. **PARA NO. B-I-6**
NON-RECOVERY OF RS.0.159 M

- xiii. PARA NO. B-I-7
NON-RECOVERY OF RS.0.145 M
- xiv. PARA NO. B-I-8
NON-RECOVERY OF RS.0.106 M
- xv. PARA NO. B-I-9
NON-RECOVERY OF RS.0.106 M
- xvi. PARA NO. B-I-10
NON-RECOVERY OF RS.0.105 M
- xvii. PARA NO. B-I-11
NON-RECOVERY OF RS.0.094 M
- xviii. PARA NO. B-I-12
NON-RECOVERY OF RS.0.053 M
- xix. PARA NO. B-II-2
NON-RECOVERY OF RS.0.067 M
- xx. PARA NO. B-II-3
NON-RECOVERY OF RS.0.053 M
- xxi. PARA NO. B-II-4
NON-RECOVERY OF RS.0.052 M
- xxii. PARA NO. B-IV-I
NON-RECOVERY OF RS.0.119 M
- xxiii. PARA NO. B-V-I
NON-RECOVERY OF RS.1.393 M
- xxiv. PARA. A-I-I
NON-RECOVERY OF RS.4.877 M
- xxv. PARA NO. B-I-I
LOSS OF RS.3.400 M
- xxvi. PARA NO. B-II-I
LOSS OF RS.0.760 M
- xxvii. PARA NO. C-III-I
LOSS OF RS.13.396 M

LIST OF MISCELLANEOUS CASES AUDIT YEARS 1999-00

- xxviii. **PARA NO. 15**
LOSS OF RS.41.735 M

- xxix. **PARA NO. 17**
RECURRING LOSS TO GOVT. EXCHEQUER RS.10.703

- xxx. **PARA NO. 30**
LOSS OF RS.0.079 M

- xxxi. **PARA NO. 39**
UNJUSTIFIED PAYMENT OF RS.1.719 M

- xxxii. **PARA NO. 43**
IRREGULAR PAYMENT OF RS. 0.900 M

- xxxiii. **PARA NO. 46**
OVERPAYMENT OF RS.0.520 M

- xxxiv. **PARA NO. 54**
IRREGULAR PAYMENT OF RS. 0.059 M

- xxxv. **PARA NO. 59**
NON-RECOVERY OF OUTSTANDING RENT OF RS.1.696 M

- xxxvi. **PARA NO. 61**
LOSS OF RS.1.455 M

- xxxvii. **PARA NO. 63**
LOSS OF RS.0.843 M

- xxxviii. **PARA NO. 65**
OVERPAYMENT OF RS.0.409 M

- xxxix. **PARA NO. 68**
INFRUCTUOUS EXPENDITURE OF RS.0.329 M

- xl. **PARA NO. 88**
NON-RECOVERY OF ASSESSED RATE RS.0.096 M

- xli. **PARA NO. 93**
LOSS/WASTAGE OF RS.9.81 M

- xlii. **PARA NO. 98**
GOVERNMENT OF RS.0.123 M

LIST OF MISCELLANIOUS CASES AUDIT YEARS 2000-2001

- xliii. **PARA NO. 5.4**
IRREGULAR EXPENDITURE OF RS.1.215 M

- xliv. **PARA NO. 5.9**
LOSS OF RS.6.719 M

- xliv. **PARA NO. 5.11**
LOSS OF RS.0.140. M

- xlvi. **PARA NO. 6.3**
UNJUSTIFIED EXPENDITURE RS.9.144 M

- xlvii. **PARA NO. 6.6**
ANFRACTUOUS EXPENDITURE OF RS.19.571 M

- AUDIT REPORT YEAR 2005-2006**
- xlviii. **PARA NO. 5.1**
EXPENDITURE ON PAY & ALLOWANCE OF WORK CHARGE IN EXCESS OF PERMISSIBLE LIMIT RS.160.1 M

- xliv. **PARA NO. 5.6**
BLOCKADE OF DEVELOPMENT FUNDS RS.9.6 M

- I. **PARA NO. 5.30**
NON-RECOVERY OF STANDARD RENT FROM UN-AUTHORIZED OCCUPANTS RS.89.3 M

- li. **PARA NO. 5.33**
AVOIDABLE EXPENDITURE ON ACCOUNT OF HIRING OF RESIDENTIAL ACCOMMODATION RS.51.8 M

- lii. **PARA NO. 5.34**
NON-RECOVERY OF RENT FROM UN-AUTHORIZE OCCUPANTS RS.7.6 M

- liii. **PARA NO. 5.36**
NON-RECOVERY OF RENT OF PETROL PUMPS RS.2.6 M RS.7.6 M

- liv. **PARA NO. 5.41**
NON-RECOVERY OF STANDARD RENT FROM UN-AUTHORIZED OCCUPANTS RS.0.569 M

- LIST OF MISCELLANIOUS CASES AUDIT YEARS 2008-2009**
- iv. **PARA NO. 3.3**
NON-HANDING OVER OF COMPLETED SCHEMES AND NON-TRANSFER OF MAINTENANCE CHARGES OF 2% RS.102.2 M
- Ivi. **PARA NO. 3.2**
LOSS TO GOVT. DUE TO ACCEPTANCE OF TENDER AT HIGHER RATES RS.192.8 M
- Ivii. **PARA NO. 3.1**
NON-UTILIZATION OF DEVELOPMENT FUNDS RS.2159.4 M
- Iviii. **PARA NO. D-II-I**
IRREGULAR AWARD OF WORK RS.6.197 M
- lix. **AUDIT REPORT FOR THE YEAR 2000-2001**
PARA NO. 5.8
IRREGULAR AWARD OF WORK RS.0.933 M
- LIST OF DISCIPLINARY/ENQUIRY CASES 2008-2009**
- Ix. **PARA NO. 3.11.3**
OVERPAYMENT DUE TO SEPARATE PAYMENT BACK FILLING RS.0.895 M
- Ixi. **PARA NO. 3.4.2.1**
NON-RECOVERY OF RISK & COST 24.3 M
- Ixii. **PARA NO. 3.14**
LOSS DUE TO AWARD OF WORK AT HIGHER RATES RS.0.171 M

PAC DIRECTIVE

The Committee directed the PAO to comply with its previous directrives above mentioned 63 paras regarding miscelleaneous inquiry cases, get the compliance verifried from Audit and submit report within 15 days by holding DAC meeting with 7 days.

AUDIT REPORT WORKS (FEDERAL) 1996-97 (PAK P.W.D)

7. i. **PARA NO. A-II-2.**
OVERPAYMENT OF RS.0.331M

- ii. PARA NO. A-II-5
OVERPAYMENT OF RS.0.104 M
- iii. PARA NO. A-II-7.
OVERPAYMENT OF RS.0.065 M
- iv. PARA NO. A-III-1.
OVERPAYMENT OF RS.0.208 M
- v. PARA NO. A-IV-2.
OVERPAYMENT OF RS.0.623 M
- vi. PARA NO. A-IV-3.
OVERPAYMENT OF RS.0.448 M
- vii. PARA NO. A-IV-5.
OVERPAYMENT OF RS.0.250 M
- vii. PARA NO. A-V-1.
OVERPAYMENT OF RS.0.172 M
- viii. PARA NO. A-VI-1.
OVERPAYMENT OF RS.0.165 M
- ix. PARA NO. A-VII-1.
OVERPAYMENT OF RS.0.096 M
- x. PARA NO. A-IX-1.
OVERPAYMENT OF RS.0.064 M
- xi. PARA NO. A-X-1.
DOUBLE PAYMENT OF RS.0.622 M
- xii. PARA NO. A-XI-1.
OVERPAYMENT OF RS.0.176 M
- xiii. PARA NO. B-II-1.
NON-RECOVERY OF RS.0.402 M
- xiv. PARA NO. B-II-2.
NON-RECOVERY OF RS.0.349 M
- xv. PARA NO. B-II-3.
NON-RECOVERY OF RS.0.181 M

- xvi. PARA NO. B-III-1.
NON-RECOVERY OF RS.0.099 M
- xvii. PARA NO. B-III-2.
NON-RECOVERY OF RS.0.092 M
- xviii. PARA NO. B-IV-1.
NON-RECOVERY OF RS.0.094 M
- xix. PARA NO. B-VI-1.
SHORT RECOVERY OF RS.0.059 M
- xx. PARA NO. B-VII-2.
SHORT RECOVERY OF RS.0.055 M
- xxi. PARA NO. C-I-3.
LOSS OF RS.2.516 M
- xxii. PARA NO. C-I-4.
LOSS OF RS.0.942 M
- xxiii. PARA NO. C-I-6.
LOSS OF RS.0.122 M
- xxiv. PARA NO. C-I-7.
LOSS OF RS.0.294 M
- xxv. PARA NO. C-II-1.
LOSS OF RS.0.945 M
- xxvi. PARA NO. C-IV-1.
LOSS OF RS.3.771 M
- xxvii. PARA NO. C-VIII-1.
LOSS OF RS.0.156 M
- xxviii. PARA NO. D-I-1.
UN-AUTHORIZE PAYMENT OF RS.3.363 M
- xxix. PARA NO. D-III-1.
UN-AUTHORIZE PAYMENT OF RS.1.007
- xxx. PARA NO. D-IV-1.
FICTITIOUS PAYMENT OF RS.0.114 M

xxxi. PARA NO. B-III-1.
NON-RECOVERY OF RS.0.742 M

PAC DIRECTIVE

The Committee settled the above 32 paras.

AUDIT REPORT WORKS (FEDERAL) 1999-2000 (PAK P.W.D)

9. i. PARA NO.2
OVERPAYMENT OF RS.0.500
- ii. PARA NO.4
OVERPAYMENT OF RS.0.276 M
- iii. PARA NO.5
OVERPAYMENT OF RS.0.210 M
- iv. PARA NO.6
OVERPAYMENT OF RS.0.169 M
- v. PARA NO.7
OVERPAYMENT OF RS.0.163 M
- vi. PARA NO.9
OVERPAYMENT OF RS.0.140 M
- vii. PARA NO.13
LOSS OF RS.0.061 M
- viii. PARA NO.14
OVERPAYMENT OF RS.0.056 M
- ix. PARA NO.16
IRREGULAR AWARD OF 25.912 M
- x. PARA NO.18 (LOSS OF RS.5.090 M)
- xi. PARA NO.19 (LOSS OF RS.3.327 M)
- xii. PARA NO.21
NON-ADJUSTMENT OF SECURED ADVANCE RS.1.420 MILLION.

- xiii. PARA NO.23
NON-DEDUCTION OF INCOME TAX 0.975 M
- xiv. PARA NO.24 (LOSS OF RS.0.870)
- xv. PARA NO.27 (LOSS OF RS.0.3 M)
- xvi. PARA NO.31
UN-AUTHORIZE RETENTION OF HOUSE CAUSING LOSS RS.0.050 M
- xvii. PARA NO.33
LOSS OF RS.10.538 M
- xviii. PARA NO.35
OVERPAYMENT OF RS.6.490 M
- xix. PARA NO.36 (LOSS OF RS.7.410 M)
- xx. PARA NO.38
NON-CHARGING RECOVERY OF STANDARD RENT RS.2.213 M
- xxi. PARA NO.40 (OVERPAYMENT OF RS.1.276)
- xxii. PARA NO.41 (NON-REMITTANCE OF RS1.097 M)
- xxiii. PARA NO.42 (NON-REMITTANCE OF RS.1.087)
- xxiv. PARA NO.44 (IRREGULAR PAYMENT OF RS.0.836)
- xxv. PARA NO.45
LOSS DUE TO NON-CHARGING OF STANDARD RENT OF RS.0.564
- xxvi. PARA NO.48 (IRREGULAR PAYMENT OF RS.0.484 M)
- xxvii. PARA NO.49 (LOSS OF RS.0.361 M)
- xxviii. PARA NO.50 (NON-RECOVERY OF RS.0.210 M)
- xxix. PARA NO.51 (LOSS OF RS.0.136 M)
- xxx. PARA NO.52
IRREGULAR RELEASE OF SECURITY DEPOSIT 0.125 M
- xxxı. PARA NO.55
IRREGULAR EXPENDITURE OF RS.9.620 M

- xxxii. PARA NO.58
IRREGULAR EXPENDITURE OF RS.2.290
- xxxiii. PARA NO.60
IRREGULAR UTILIZATION OF DEPOSIT VALUING RS.1.609 M
- xxxiv. PARA NO.62 (LOSS OF RS.1.124 M)
- xxxv. PARA NO.67 (LOSS OF RS.0.357)
- xxxvi. PARA NO.71 (LOSS OF RS.0.223)
- xxxvii. PARA NO.72 (OVERPAYMENT OF RS.0.180 M)
- xxxviii. PARA NO.73 (OVERPAYMENT OF RS.0.125 M)
- xxxix. PARA NO.74 (OVERPAYMENT OF RS.0.111 M)
- xl. PARA NO.78 (NON-RECOVERY OF RS.2.105 M)
 - xli. PARA NO.79 (LOSS OF RS.0.765 M)
 - xlii. PARA NO.82 (LOSS OF RS.0.510 M)
 - xliii. PARA NO.84 (LOSS OF RS.0.235)
 - xliv. PARA NO.87 (OVERPAYMENT OF RS.0.163 M)
 - xlv. PARA NO.92
IRREGULAR EXPENDITURE OF RS.11.008 M
 - xlvi. PARA NO.94
NON-IMPOSITION OF PENALTY RS.5.007 M
 - xlvii. PARA NO.97
UNJUSTIFIED EXPENDITURE OF RS.0.130 M
- xlviii. PARA NO.1.1 (UNSUPPORTED PAYMENT OF RS1.254 M)
- xliv. PARA NO.1.2
NON-RECOVERY OF RS.0.648 M INCURRED ON ACCOUNT OF MISUSE OF GOVT. VEHICLE
 - I. PARA NO.3.1
IRREGULAR EXPENDITURE 0.336 M ON ACCOUNT OF PURCHASE OF COMPUTER ACCESSORIES / EQUIPMENT WITHOUT TENDERS

- ii. PARA NO.4.1
IRREGULAR EXPENDITURE OF RS.1.487 M ON ACCOUNT OF
PAYMENT MADE TO POLICE GUARDS.
- lii. PARA NO.4.2
EXCESS EXPENDITURE OF RS.0.117 M ON ACCOUNT OF
TELEPHONE CHARGES ABOVE THE FIXED CEILING
- liii. PARA NO.5.3
LOSS OF PUBLIC MONEY RS.0.749M DUE TO NON-RECOVERY OF
RENT OF SHOP

PAC DIRECTIVE

The Committee settled the above 53 paras.

AUDIT REPORT WORKS (FEDERAL) 2000-2001 (PAK P.W.D)

- 10. i. PARA NO.1.2
MISAPPROPRIATION OF MATERIAL RS.0.247 M
- ii. PARA NO.2.1 (OVERPAYMENT OF RS.0.142 M)
- iii. PARA NO.2.2 (OVERPAYMENT OF RS.0.070 M)
- iv. PARA NO.2.3 (OVERPAYMENT OF RS.0.152 M)
- v. PARA NO.2.5 (OVERPAYMENT OF RS.0.123 M)
- vi. PARA NO.2.6 (DOUBLE PAYMENT OF RS0.399 M)
- vii. PARA NO.2.7 (OVERPAYMENT OF RS.0.144 M)
- viii. PARA NO.2.8 (EXCESS PAYMENT OF RS.2.11 M)
- ix. PARA NO.2.9 (OVERPAYMENT OF RS 0.306 M)
- x. PARA NO.2.10 (OVERPAYMENT OF RS 0.087 M)
- xi. PARA NO.2.11 (OVERPAYMENT OF RS 0.098 M)
- xii. PARA NO.2.12 (LOSS OF RS.0.274 M)
- xiii. PARA NO.2.13 (EXCESS PAYMENT OF RS.0.170 M)

- xiv. PARA NO.2.14 (EXCESS PAYMENT OF RS.0.112 M)
- xv. PARA NO.2.15 (EXCESS PAYMENT OF RS.0.191 M)
- xvi. PARA NO.2.16 (EXCESS PAYMENT OF RS.0.272 M)
- xvii. PARA NO.2.17 (EXCESS PAYMENT OF RS11.006 M)
- xviii. PARA NO.2.18 (EXCESS PAYMENT OF RS.0.102 M)
- xix. PARA NO.2.19 (OVERPAYMENT OF RS 0 .135)
- xx. PARA NO.2.20 (LOSS OF RS.0.099 M)
- xxi. PARA NO.2.21 (IRREGULAR EXPENDITURE OF RS.2.246 M)
- xxii. PARA NO.2.22 (OVERPAYMENT OF RS.0.102 M)
- xxiii. PARA NO.2.23 (EXCESS PAYMENT OF RS.0.098 M)
- xxiv. PARA NO.2.25 (EXCESS EXPENDITURE OF RS.0.116 M)
- xxv. PARA NO.2.26 (OVERPAYMENT OF RS.0.070 M)
- xxvi. PARA NO.2.27 (DOUBLE PAYMENT OF RS.0.070 M)
- xxvii. PARA NO.2.28 (EXCESS PAYMENT OF RS.0.1309 M)
- xxviii. PARA NO.2.29 (OVERPAYMENT OF RS0.413 M)
- xxix. PARA NO.3.2 (NON-RECOVERY OF RS.1.753 M)
- xxx. PARA NO.3.5 (NON-RECOVERY OF RS.2.250 M)
- xxxi. PARA NO.4.1 (EXCESS PAYMENT OF RS.0.066 M)
- xxxii. PARA NO.5.1 (IRREGULAR EXPENDITURE OF RS.3.398 M)
- xxxiii. PARA NO.5.2 (LOSS OF RS.0.478 M)
- xxxiv. PARA NO.5.3 (EXCESS PAYMENT OF RS.0.324 M)
- xxxv. PARA NO.5.5 (LOSS OF RS.0.582 M)
- xxxvi. PARA NO.5.6 (LOSS OF RS.12.128 M)

- xxxvii. PARA NO.5.7 (EXCESS PAYMENT OF RS.10.353 M)
- xxxviii. PARA NO.5.10 (IRREGULAR EXPENDITURE OF RS.0.203 M)
- xxxix. PARA NO.5.12 (EXCESS PAYMENT OF RS.0.285 M)
 - xl. PARA NO.5.13 (NON-RECOVERY OF RS.0.475 M)
 - xli. PARA NO.5.15 (LOSS OF RS.12.806 M)
 - xlii. PARA NO.6.1 (LOSS OF RS.0.958 M)
 - xliii. PARA NO.6.2 (WASTEFUL EXPENDITURE OF RS.1.470 M)
 - xliv. PARA NO.6.4 (WASTEFUL EXPENDITURE OF RS.1.959 M)
 - xliv. PARA NO.6.5 (WASTEFUL EXPENDITURE OF RS.7.174 M)
 - xlvi. PARA NO.6.7 (LOSS OF RS.0.237 M)
 - xlvii. PARA NO.6.8 (UNJUSTIFIED PAYMENT OF RS.0.410 M)
 - xlviii. PARA NO.7.2
IRREGULAR ACCRUING LIABILITIES OF RS.1.340 M

PAC DIRECTIVE

The Committee settled the above 48 paras.

AUDIT REPORT WORKS (FEDERAL) 2005-2006 (PAK P.W.D)

- 11.
 - i. PARA NO.5.5
HEAVY CLOSING BALANCE IN MISC. DEPOSIT RS.10.7
 - ii. PARA NO.5.7
OVERPAYMENT DUE TO AWARD OF WORK ON HIGHER PREMIUM
RS.7.4 M
 - iii. PARA NO.5.9
UNJUSTIFIED AWARD OF WORKS DUE TO SPLITTING ` RS.4.3 M
 - iv. PARA NO.5.11
OVER ESTIMATION RESULTING EXTRA EXPENDITURE RS.2.9
MILLION.

- v. PARA NO.5.12
EXTRA ORDINARY DEVIATION IN T.S ESTIMATE RS.2.3 MILLION.
- vi. PARA NO.5.13
EXPENDITURE IN EXCESS OF ALLOCATION RS.2.00 M
- vii. PARA NO.5.16
EXTRA EXPENDITURE DUE TO EXCESS RATES RS.1.5 M
- viii. PARA NO.5.20
OVERPAYMENT ON ACCOUNT OF EXCESS OVER DEPOSIT
RS.0.921M
- ix. PARA NO.5.21
NON-RECOVERY OF EXCAVATED MATERIAL RS.0.684 M
- x. PARA NO.5.22
OVERPAYMENT DUE TO SEPARATE PAYMENT FOR COMPACTION
RS.0.649 M.
- xi. PARA NO.5.23
OVERPAYMENT DUE TO ALLOWING INCORRECT RS.0.490 M
- xii. PARA NO.5.24
OVERPAYMENT DUE TO EXECUTION OF WORKS BEYOND
APPROVED SCOPE RS.0.418 M
- xiii. PARA NO.5.26 (OVERPAYMENT DUE TO NIT RS0.220 M)
- xiv. PARA NO.5.28 (MISSING CEILING FANS RS.0.174 M)
- xv. PARA NO.5.29
NON-RECONCILIATION OF CASH BOOK WITH TREASURY
- xvi. PARA NO.5.31
NON-RECOVERY OF STANDARD RENT FOR RESIDENTIAL HOUSES
RS.60.1 M
- xvii. PARA NO.5.32
NON-RECOVERY OF STANDARD RENT / RENT OF CEILING FROM
NON-ENTITLED DEPARTMENTS RS.53.8 M
- xviii. PARA NO.5.38 NON-RECOVERY OF REVOLVING FUNDS FROM THE
ALLOTTEES RS 1.00 MILLION

xix. **PARA NO.5.42 (NON-RECOVERY OF RENT OF SHOPS RS.0.154 M)**

PAC DIRECTIVE

The Committee settled the above 19 paras.

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MINISTRY OF KASHMIR AFFAIRS AND GILGIT-BALTISTAN

ACTIONABLE POINTS – 30TH JULY, 2012

GILGIT-BALTISTAN PUBLIC WATER & POWER AND WORKS DEPARTMENT
AUDIT REPORT FOR THE YEAR 1999-2000

11.
 - i. **(PARA 1.1, PAGE 9-ARNA-PWD)**
OVERPAYMENT OF RS 3.262 MILLION
 - ii. **(PARA 1.3, PAGE 10-ARNA-PWD)**
OVERPAYMENT OF RS 3.459 MILLION
 - iii. **(PARA 1.4, PAGE -ARNA-PWD)**
OVERPAYMENT OF RS 3.459 MILLION
 - iv. **(PARA 1.6, PAGE 12-ARNA-PWD)**
OVERPAYMENT OF RS 0.814 MILLION
 - v. **(PARA 1.7, PAGE 13-ARNA-PWD)**
OVERPAYMENT OF RS 0.698 MILLION
 - vi. **(PARA 1.8, PAGE 13-ARNA-PWD)**
OVERPAYMENT OF RS 1.314 MILLION
 - vii. **(PARA 1.15, PAGE 17-ARNA-PWD)**
OVERPAYMENT OF RS 0.203 MILLION
 - viii. **(PARA 4.4, PAGE 26-ARNA-PWD)**
NON-RECOVERY OF RS 0.394 MILLION
 - ix. **(PARA 5.4, PAGE 29-ARNA-PWD)**
NON-ADJUSTMENT OF RS 10.968 MILLION PAID TO LAND
ACQUISITION COLLECTOR
 - x. **(PARA 5.7, PAGE 30-ARNA-PWD)**
NON-ACCOUNTAL OF MATERIAL WORTH RS 3.895 MILLION
 - xi. **(PARA 5.10, PAGE 32-ARNA-PWD)**
BLOCKAGE OF GOVERNMENT MONEY OF RS 2.137 MILLION
 - xii. **(PARA 5.11, PAGE 32-ARNA-PWD)**
NON-RECOVERY OF SECURED ADVANCE OF RS 0.954 MILLION

- xiii. (PARA 5.12, PAGE 33-ARNA-PWD)
IRREGULAR PAYMENT OF RS 0.442 MILLION TO THE WORKSHOP ESTABLISHMENT

AUDIT REPORT FOR THE YEAR 1999-2000
- xiv. PARA 2.1 (PAGE 11-AR)
OVERPAYMENT OF RS 4.970 MILLION
- xv. PARA 2.2 (PAGE 11-AR)
OVERPAYMENT OF RS 34.870 MILION
- xvi. PARA 2.3 (PAGE 12-AR (LOSS OF RS 27.110 MILLION))
- xvii. PARA 2.5 (PAGE 13-AR)
EXCESS PAYMENT OF RS 0.791 MILLION
- xviii. PARA 2.6, PAGE 14-AR (LOSS OF RS 12.300 MILLION)
- xix. PARA 2.7 PAGE 14-AR (OVERPAYMENT OF RS 0.960 MILLION)
- xx. PARA 2.9 (PAGE 15-AR)
IRREGULAR PURCHASE VEHICLE RS 1.500 MILLION
- xxi. PARA 2.12, PAGE 17-AR (OVERPAYMENT OF RS 0.318 MILLION)
- xxii. PARA 2.13, PAGE 18-AR (OVERPAYMENT OF RS 1.219 MILLION)
- xxiii. PARA 2.14, PAGE 18-AR (OVERPAYMENT OF RS 0.264 MILLION)
- xxiv. PARA 3.1, PAGE 23-AR (LESS RECOVERY OF RS 3.666 MILLION)
- xxv. PARA 3.3, PAGE 24-AR (NON-RECOVERY OF RS 0.299 MILLION)
- xxvi. PARA 3.10, PAGE 28 -AR (NON-RECOVERY OF RS.1.154 MILLION)
- xxvii. PARA 3.13 PAGE 30-AR (NON-RECOVERY OF RS 0.796 MILLION)
- xxviii. PARA 3.21-AR (NON-RECOVERY OF RS 0.299 MILLION)
- xxix. PARA 3.23 (PAGE 35-AR)
IRREGULAR ISSUANCE OF CEMENT VALUING RS 1.132 MILLION
NON-RECOVERY OF RS 0.103 MILLION
- xxx. PARA 3.25 PAGE 37-AR (NON-RECOVERY OF RS 0.493 MILLION)
- xxxi. PARA 3.29 PAGE 39-AR (OVERPAYMENT OF RS 1.454 MILLION)

- xxxii. PARA 3.31-AR (NON-RECOVERY OF RS 0.299 MILLION)
- xxxiii. PARA 3.33 (PAGE 41-AR (NON-RECOVERY OF RS 0.109 MILLION) IRREGULAR AWARD OF WORK RS 2.446 MILLION)
- xxxiv. PARA 3.37 (PAGE 43-AR (NON-RECOVERY OF RS 0.324 MILLION)
- xxxv. PARA 3.40 (PAGE 44-AR (LOSS OF RS 0.256 MILLION)
- xxxvi. PARA 4.1 (PAGE 46-AR WASTEFUL EXPENDITURE OF RS 42.320 MILLION)
- xxxvii. PARA 4.2 (PAGE 46-AR WASTEFUL EXPENDITURE OF RS 18.480 MILLION)
- xxxviii. PARA 4.3 (PAGE 47-AR UN-JUSTIFIED PAYMENT OF RS 0.188 MILLION)
- xxxix. PARA 5.3 (PAGE 49-AR IRREGULAR RELEASE OF SECURITY DEPOSIT RS 2.167 MILLION)
- xl. PARA 5.8 (PAGE 52-AR UNAUTHORIZED EXPENDITURE OF RS 3.800 MILLION)
- xli. PARA 5.9 (PAGE 52-AR IRREGULAR/EXCESSRELEASE OF SECURITY DEPOSIT RS 2.055 MILLION)
- xlii. PARA 5.16 (PAGE 56-AR UNAUTHORIZED EXPENDITURE OF RS 1.517 MILLION)
- xliii. PARA 5.21 (PAGE 59-AR UNAUTHORIZED EXPENDITURE OF RS 12.990 MILLION)
- xliv. PARA 6.1 PAGE 60-AR (LOSS OF RS 6.940 MILLION)
- xliv. PARA 6.2 PAGE 61-AR (LOSS OF RS 2.816 MILLION)
- xlvi. PARA 6.5 (PAGE 62-AR WASTEFUL EXPENDITURE OF RS 2.385 MILLION)
- xlvii. PARA 6.11 (PAGE 66-AR UNJUSTIFIED EXPENDITURE OF RS 0.585 MILLION)

- xlvi. PARA 6.13 (PAGE 67-AR)
WASTEFUL EXPENDITURE OF RS 9.528 MILLION
- xlvi. PARA 6.15 (PAGE 68-AR)
UNAUTHORIZED PAYMENT OF RS 9.283 MILLION
- I. PARA 7.1 (PAGE 69-AR)
EXCESS PAYMENT OF RS 7.872 MILLION
- ii. PARA 7.2 (PAGE 69-AR)
OVERPAYMENT OF RS 0.770 MILLION
- iii. AUDIT REPORT FOR THE YEAR 2005-06
- iiii. PARA 4.2 (PAGE 77-AR)
NON-RECOVERY OF INSURANCE PREMIUM – RS. 6.5 MILLION
- lv. PARA 4.4 (PAGE 78-AR)
SHORT RECOVERY OF ISSUED MATERIAL AT LESSER RATE THEN MARKET RATES – RS. 2.7 MILLION
- lv. PARA 4.7 (PAGE 81-AR)
OVERPAYMENT DUE TO INCORRECT APPLICATION OF RATE – RS. 1.1 MILLION
- lvi. PARA 4.11 (PAGE 84-AR)
OVERPAYMENT DUE TO UN-STACKABLE ROCK MATERIAL – RS. 837,440
- AUDIT REPORT FOR THE YEAR 2008-09
- lvii. PARA 2.4.1.4 (PAGE 27-28-AR)
NON RECOVERY OF RS.507,130/-

PAC DIRECTIVE

The Committee settled the above 56 paras subject to reconciliation of recovery documents with the Audit.

- 12. i. PARA NO.1.1.14 AR, 2000-01 (THEFT OF GOVT. VEHICLE)
- ii. PARA NO.2.18 AR, 2000-01 (OVER PAYMENT)

- iii. PARA NO.1.2 AR 1999-00 (OVER PAYMENT)
- iv. PARA NO.1.5 AR 1999-00 (OVER PAYMENT)
- v. PARA NO.1.10 AR 1999-00 (OVER PAYMENT)
- vi. PARA NO.1.11 AR 1999-00 (OVER PAYMENT)
- vii. PARA NO.1.12 AR 1999-00 (OVER PAYMENT)
- viii. PARA NO.1.14 AR 1999-00 (OVER PAYMENT)
- ix. PARA NO.2.2 AR 1999-00 (LOSS)
- x. PARA NO.2.3 AR (1999-00)
NON RECOVERY DUE TO NON UTILIZATION OF AVAILBALE EARTH
- xi. PARA NO.3.4 AR 1999-00 (LOSS)
- xii. PARA NO.3.5 AR 1999-00 (LESS RECOVERY OF STONE)
- xiii. PARA NO.4.1 AR 1999-00 (NON RECOVERY)
- xiv. PARA NO.4.2 AR 1999-00 (NON RECOVERY)
- xv. PARA NO.4.3 AR 1999-00 (NON RECOVERY)
- xvi. PARA NO.5.2 AR 1999-00 (IRREGULAR ALLOTMENT OF WORK)
- xvii. PARA NO.5.5 AR 1999-00 (NON ADJUSTMENT)
- xviii. PARA NO.5.6 AR 1999-00
LOSS DUE NON RECOVERY HIGHER CHARGES
- xix. PARA NO.1.2 AR 2000-01 (TEMPORARY EMBEZZLEMENT)
- xx. PARA NO.1.3 AR 2000-01
IRREGULAR RETENTION OF GOVT. MONEY
- xxi. PARA NO.2.8 AR 2000-01 (IRREGULAR EXECUTION OF WORK)
- xxii. PARA NO.2.10 AR 2000-01 (LOSS)
- xxiii. PARA NO.2.11 AR 2000-01-LOSS
- xxiv. PARA NO.2.15 AR 2000-01 (OVER PAYMENT)

- xxv. PARA NO.2.19 AR 2000-01-EXCESS PAYMENT
- xxvi. PARA NO.2.20 AR 2000-01-OVER PAYMENT
- xxvii. PARA NO.2.21 AR 2000-01-UNDUE FINCIANAL AID
- xxviii. PARA NO.3.9 AR 2000-01-NON RECOVERY
- xxix. PARA NO.3.12 AR 2000-01-NON RECOVERY
- xxx. PARA NO.3.18 AR 2000-01-NON RECOVERY
- xxxi. PARA NO.3.22 AR 2000-01-NON RECOVERY
- xxxii. PARA NO.3.24 AR 2000-01-OVER PAYMENT
- xxxiii. PARA NO.3.26 AR 2000-01-NON RECOVERY
- xxxiv. PARA NO.3.27 AR (2000-01
ON RECOVERY OF SECURED ADVANCE
- xxxv. PARA NO.3.30 AR 2000-01-NON RECOVERY
- xxxvi. PARA NO.3.32 AR 2000-01-NON RECOVERY
- xxxvii. PARA NO.3.34 AR 2000-01-NON RECOVERY
- xxxviii. PARA NO.3.35 AR 2000-01-OVER PAYMENT
- xxxix. PARA NO.3.36 AR 2000-01-NON RECOVERY OF INTEREST
- xl. PARA NO.3.38 AR (2000-01)
NON RECOVERY OF TELEPHONE BILLS
- xli. PARA NO.3.39 AR 2000-01-NON RECOVERY
- xlii. PARA NO.5.2 AR 2000-01-LOSS
- xliii. PARA NO.5.4 AR 2000-01-LOSS
- xliv. PARA NO.5.6 AR 2000-01- IRREGULAR PAYMENT
- xlv. PARA NO.5.7 AR 2000-01- UN AUTHORIZED EXPENDITURE
- xlvi. PARA NO.5.11 AR 2000-01-UNDUE FINANCIAL AID

- xlvi. PARA NO.5.12 AR 2000-01-LOSS
- xlviii. PARA NO.5.13 AR 2000-01-UN AUTHORIZED EXPENDITURE
- xliv. PARA NO.5.14 AR 2000-01-OVER PAYMENT
- I. PARA NO.5.15 AR (2000-01)
UN AUTHORIZED EXPENDITURE
- ii. PARA NO.5.17 AR (2000-01)
UN AUTHORIZED EXPENDITURE
- lii. PARA NO.5.18 AR 2000-01-LOSS
- liii. PARA NO.5.19 AR 2000-01-IRREGULAR REVISION OF TS.
- liv. PARA NO.6.3 AR 2000-01-UN AUTHORIZED PAYMENT
- Iv. PARA NO.6.4 AR 2000-01-LOSS
- Ivi. PARA NO.6.6 AR 2000-01-WASTFUL EXPENDITURE
- Ivii. PARA NO.6.10 AR 2000-01-UN AUTHORIZED PAYMENT
- Iviii. PARA NO.6.14 AR (2000-01)
WASTFUL EXPENDITURE ERREGULAR EXPENDITURE
- lix. PARA NO.8.2 AR 2000-01-UNDUE FINANCAL AID
- Ix. PARA NO.8.3 AR 2000-01-NON ADJUSTMENT OF LIABILITIES
- Ixi. PARA NO.8.4 AR (2000-01)
NON EXECUTION OF WORK HAVING LOW RATS
- Ixii. PARA NO.8.5 AR 2000-01-LOSS
- Ixiii. PARA NO.8.6 AR 2000-01-WASTFUL EXPENDITURE
- Ixiv. PARA NO.8.7 AR 2000-01-UN JUSTIFIED PAYMENT
- Ixv. PARA NO.8.8 AR 2000-01-LOSS
- Ixvi. PARA NO.4.1 AR (2005-06)
NON RECOVERY OF ELECTRICITY CHARGES

- lxvii. PARA NO.4.6 AR (2005-06)
LESS FOR FORFEITURE OF SECURITY DEPOSIT
- lxviii. PARA NO.4.8 AR (2005-06)
OVER PAYMENT DUE TO ALLOWING HIGHER RATE
- lxix. PARA NO.4.9 AR (2005-06)
NON RECOVERY OF RENTEL CHARGES
- lxx. PARA NO.4.12 AR 2005-06-OVER PAYMENT
- lxxi. PARA NO.2.3.1.1 AR 2008-09-OVERPAYMENT
- lxxii. PARA NO.2.3.1.2 AR 2008-09-OVERPAYMENT
- lxxiii. PARA NO.2.3.1.3 AR 2008-09-OVERPAYMENT
- lxxiv. PARA NO.2.3.2.1 AR 2008-09-OVERPAYMENT
- lxxv. PARA NO.2.3.2.3 AR 2008-09-OVERPAYMENT
- lxxvi. PARA NO.2.4.1.1 AR (2008-09)
NON-RECOVERY OF GOVERNMENT DUES
- lxxvii. PARA NO.2.4.1.2 AR (2008-09)
NON-RECOVERY OF GOVERNMENT DUES
- lxxviii. PARA NO.2.4.1.3 AR 2008-09-NON-RECOVERY

PAC DIRECTIVE

The Committee directed the PAO to convene DAC meeting within one month to discuss remaining above 78 subject paras.

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LOCAL GOVERNMENT AND RURAL DEVELOPMENT

ACTIONABLE POINTS – 27TH SEPTEMBER, 2012

AUDIT REPORT 1996-97 (CABINET DIVISION)

**1. PARA-1 (PAGE-123) AR 1996-97
RECOVERY DUE TO UN-AUTHORIZED USE OF GOVERNMENT VEHICLES-
RS0.124 MILLION**

Audit observed that in Ministry of Local Government and Rural Development different Government vehicles remained under exclusive use of Secretary from 1990-1993 in addition to staff car No.IDC-5542 placed at his disposal. Therefore, more than one Government vehicles were used in violation of rules 6 & 14 of Staff Car Rules 1980. The distance covered by additional vehicle was 40167 km and the vehicle used by Private Secretary to Federal Minister covered a distance of 17635 km plus 4302 km were held unauthorized as the vehicles were used outside municipal limit without the approval of the competent authority. Thus, total distance covered by these vehicles was 62104 km which is recoverable at rate of Rs.2 per km (Total Rs.124, 208).

The PAC in its meeting held on 23-05-2002 directed the PAO to look into the case and report to the Committee.

The PAO apprised the Committee during the instant meeting that as such record was not available due to getting fire to Shaheed-e-Millat Secretariat.

Audit confirmed that verification has been made.

PAC DIRECTIVE

The Committee directed the PAO to get its challan verified by the Audit within 15 days.

AUDIT REPORT 2008-09 (CABINET DIVISION)

**2. PARA-13.1 (PAGE-93) AR 2008-09
NON RECOVERY FROM GAS COMPANIES-RS.21455 MILLION.**

Audit observed that during the period 2002-03 to 2004-05, Ministry of Local Government & Rural Development released advance payments of Rs.82.805 million to the Gas Companies for execution of 64 gas supply schemes, A review of progress report dated 03-07-2008 revealed that these schemes were completed and the unspent balance of Rs.21.455 million was retained by the gas supply companies unnecessarily, till April 2009. Of this, Rs.4.247 million is being retained by the Sui Northern Gas Pipelines Limited (SNGPL) and the remaining by the Sui Southern Gas Company Limited (SSGCL).

PAC in its meeting held on 14-6-2010 directed to recover the amount from both the gas companies within two months and report to PAC for settlement of the para.

DAC in its meeting held on 30-04-2011 it was informed that the outstanding amount has since been recovered and deposited in government Treasury and it was directed to produce the record of recovered amount to Audit for verification.

PAC DIRECTIVE

The Committee directed the PAO to get its original challan verified by the Audit within 15 days.

**3. PARA-13.2 (PAGE-93) AR 2008-09
IRREGULAR AWARD OF WORK TO NATIONAL RURAL SUPPORT PROGRAM(NGO)-RS.141.95 MILLION.**

Audit observed that, in terms of Rule-20 of Public Procurement Rule 2004, the procuring agencies are required to use competitive bidding process as the

principal method of procurement for the procurement of goods, services and works.

Contrary to above, it was observed that Ministry of Local Government and Rural Development (LG&RD) awarded the work.

Development of 26 Model Villages to the National Rural Support Program (NRSP) on 19-07-2007 at a contract price of Rs.141.95 million without considering any technical/engineering estimates and without competition.

The PAC in its meeting held on 16-6-2011 directed that all support may be extended to the Audit team producing the record for their examination and inspection of sites along-with department representatives. It was also directed that Auditor General's office may carry out Performance Audit and Financial Audit of NRSP.

In compliance of PAC directive a special audit was planned and a team from Directorate General Audit, Federal Government, Islamabad headed by Deputy Director was deputed but no record pertaining to RSPN/NRSP was produced to Audit Team. However, the preliminary Survey Report was prepared and submitted to the office of Auditor General of Pakistan.

The PAO informed the Committee that it was decided to produce record to Audit for verification and inspection whenever schedule is given by NRSP.

Chief Executive, NRSP informed the Committee that the contract awarded by the Ministry was vetted by the Prime-Minister.

PAC DIRECTIVE

The Committee directed the PAO to get its record of recovery verified by the Audit within 15 days.

MINISTRY OF NATIONAL FOOD SECURITY AND RESEARCH

ACTIONABLE POINTS - 2ND AUGUST, 2012.

1.
 - i. **APPROPRIATION ACCOUNTS 1996-97**
GRANT NO.60-PLANT PROTECTION MEASURES (1996-97) (SAVING OF RS.13,576,455/-)
 - ii. **GRANT NO.139-CAPITAL OUTLAY ON PURCHASE OF FERTILIZERS (1996-97) (SAVING OF RS.1,671,306,655/-)**
 - iii. **GRANT NO.157-DEVELOPMENT EXPENDITURE OF FOOD & AGRICULTURE (1996-97) (EXCESS OF RS.149,734,319/-)**
 - iv. **GRANT NO.159-DEVELOPMENT EXPENDITURE OF LIVESTOCK (1996-97) (SAVING OF RS.2,606,161/-)**
 - v. **APPROPRIATION ACCOUNTS 2000-01**
GRANT NO.110-CAPITAL OUTLAY ON PURCHASE OF FERTILIZERS (2000-01) (SAVING OF RS.11,496,248,401/-)
 - vi. **GRANT NO.128-DEVELOPMENT EXPENDITURE OF FOOD, AGRICULTURE AND LIVESTOCK DIVISION (2000-01) (SAVING OF RS.243,883,953/-)**
 - vii. **GRANT NO.129-DEVELOPMENT EXPENDITURE OF AGRICULTURE RESEARCH (2000-01) (SAVING OF RS.20,599,400/-)**

PAC DIRECTIVE

The Committee pended the discussion on above mentioned seven grants with the direction to comply with the previous directions of PAC and report to PAC within one month.

APPROPRIATION ACCOUNTS 2005-06

2. **GRANT NO.49-FOOD, AGRICULTURE AND LIVESTOCK DIVISION (2005-06)**
(SAVING OF RS.11,819,192/-)

The PAO submitted that the subject piece of land was given to American Embassy by the previous Government and since it relates to Pakistan Central Cotton, which falls under the purview of Ministry of Textile, they may explain the position.

The Joint Secretary, Ministry of Textile present in the meeting apprised the Committee of the same position as mentioned above.

PAC DIRECTIVE

The Committee directed the PAO to coordinate with M/o Foreign Affairs, Karachi Port Trust (KPT) and M/o Ports and Shipping to settle the issue and report to the Committee within one month.

AUDIT REPORT PUBLIC SECTOR ENTERPRISES 1996-97

PAKISTAN AGRICULTURAL STORAGE & SERVICES CORPORATION LIMITED

2. i. **PARA-116 PAGE-98 ARPSE-1996-97**
ii. **PARA-117 PAGE-98 ARPSE-1996-97**

PAC DIRECTIVE

The Committee settled the above two paras

3. **PARA-121 PAGE-100 ARPSE-1996-97**
LOSS OF RS.3.780 MILLION DUE TO CANCELLATION OF SUPPLY ORDER
AND SUBSEQUENT PURCHASE OF PAKISTAN GRAIN SACK BALES AT
HIGHER RATE.

PAC DIRECTIVE

The Committee referred the para to DAC for settlement subject to verification of the stated facts by the Audit.

4. **PARA-123 PAGE-101 ARPSE-1996-97**
MIS-APPROPRIATION OF WHEAT AND BARDANA RS.0.289 MILLION

PAC DIRECTIVE

The Committee pended the para being sub-judice in the court.

PAKISTAN AGRICULTURAL STORAGE AND SERVICES CORPORATION LIMITED

AUDIT REPORT PUBLIC SECTOR ENTERPRISES 1999-00

5. i. **PARA-141 PAGE-89 ARPSE-1999-2000**
LOSS OF RS.148.621 MILLION-DUE TO DECREASE IN SALES AND ALLOWANCES FOR INCIDENTALS.
- ii. **PARA-144 PAGE-91 ARPSE-1999-2000**
LOSS OF RS.114.878 MILLION SUSTAINED ON SUPPLY OF WHEAT TO USC DUE TO NON-EXECUTION OF FORMAL AGREEMENT

PAC DIRECTIVE

The Committee directed the PAO to hold DAC meeting, discuss the above two paras in DAC and report to PAC within one month.

AUDIT REPORT PUBLIC SECTOR ENTERPRISES 2008-09

6. **PARA-79.4 PAGE-106-108 ARPSE-2008-09**
NON INCREASE OF STORAGE CAPACITY OF PASSCO.

PASSCO did not increase its storage capacity since last 25 years.

PAC DIRECTIVE

On the recommendations of the Audit PAC settled the para.

7. **PARA-79.5 PAGE-108 ARPSE-2008-09
FINANCIAL RESULTS INCREASE IN OPERATIONAL LOSS 78.83% IN
2007-08**

PAC DIRECTIVE

The Committee directed the PAO to hold DAC and discuss the para and submit a report to PAC within one month.

8. **GENERAL DIRECTIVES**

The Committee directed the M.D. PASSCO to furnish the under-mentioned reports/policy within one month:

- Make and submit a report on the issues of Bar-Dana, procurement and storage system
- Frame a policy on carry forward the stock lying with PASSCO to be utilized in next year
- Put up latest position on trade debt indicating the present figure.
- A comprehensive report on the quality and price of packing bags.
- A detailed report on extra ordinary increased in transportation charges pointed out by the Audit in para 79.5

9. i. **PARA-80 PAGE-110-111 ARPSE-2008-09
Export of Wheat @ US\$ 185 per m. Ton and Subsequent Import @
US\$ 400 per m. Ton – Rs.25.800 Billion**
- ii. **PARA-81 PAGE-111-112 ARPSE-2008-09
EXTRA EXPENDITURE ON PURCHASE OF BLACK GRAMS AT
HIGHER RATES – RS.763.954 MILLION**

- iii. **PARA-82 PAGE-112-113 ARPSE-2008-09**
UNJUSTIFIED PURCHASE OF RESIDENTIAL PLOTS- RS.415.674
MILLION

PAC DIRECTIVE

The Committee directed the PAO to hold an inquiry, fix responsibility on the above mentioned three paras and report to PAC within one month.

9. **PARA-83 PAGE-113-115 ARPSE-2008-09**
UNDER-UTILIZATION OF CONCRETE SILOS AND PAYMENT OF FIXED
ELECTRICITY CHARGES – RS. 104.163 MILLION

PAC DIRECTIVE

The Committee directed the PAO to take up and settle the issue of silos at Khairpur with Govt. of Sindh and report to PAC within one month. PAO may also approach, PAC Secretariat if required, to write letter to Chief Secretary Government of Sindh on the issue of silos at Chichawatni. The Committee directed the PAO to hold an inquiry and submit a report within one month.

10. **PARA-84 PAGE-115-116 ARPSE-2008-09**
NON-RECOVERY FROM EMPLOYEES ON ACCOUNT OF
DAMAGED/SHORTAGE/ PILFERAGE OF WHEAT – RS.21.154 MILLION

PAC DIRECTIVE

The Committee directed the PAO to recover the entire amount and submit the recovery position fortnightly duly verified from Audit.

11. **PARA-85 PAGE-116-117 ARPSE-2008-09**
LOSS DUE TO PAYMENT OF TRANSPORTATION CHARGES – RS.14.621
MILLION

PAC DIRECTIVE

The Committee settled the para.

12. **PARA-86 PAGE-117-118 ARPSE-2008-09**
PAYMENT OF PENALTY DUE TO DEVIATION FROM CONSTRUCTION PLAN
- RS.9.391 MILLION

PAC DIRECTIVE

The Committee directed the PAO to pursue the case in the court vigorously and enquire into the matter, fix responsibility and report to PAC within one month.

13. **PARA-87 PAGE-118-119 ARPSE-2008-09**
LOSS DUE TO NEGLIGENCE OF CENTRE IN-CHARGES - RS.7.421 MILLION

PAC DIRECTIVE

The Committee directed the PAO to pursue the court cases vigorously and no field posting be given to the two reinstated employees.

14. **PARA-90 PAGE-123-124 ARPSE-2008-09**
IRREGULAR PAYMENT TO EX-GENERAL MANAGER RE-EMPLOYED
AFTER SUPERANNUATION – RS.1.767 MILLION

PAC DIRECTIVE

The PAO was directed to get the amount regularized within one month otherwise recover the whole amount from the officer (Brig (R) M. Pervaiz Akber).

15. **PARA-91 PAGE-124-125 ARPSE-2008-09**
IRREGULAR APPOINTMENT OF EX-DGAI (FINANCE) ON THE BASIS OF
FAKE DEGREE – RS.0.832 MILLION

PAC DIRECTIVE

The committee pended the para as the matter was in the court of law.

16. **PARA-92 PAGE-125-126 ARPSE-2008-09**
LOSS DUE TO AWARD OF CONTRACT ON SINGLE SOURCE BASIS - RS
0.975 MILLION

PAC DIRECTIVE

The Committee settled the para.

17. **PARA-93 PAGE-126-127 ARPSE-2008-09**
UNJUSTIFIED SALE OF VEHICLE TO EX-MANAGING DIRECTOR AT BOOK
VALUE – RS.0.354 MILLION

PAC DIRECTIVE

The Committee took a serious note of the sale of vehicle and directed the PAO to get the rules vetted from the competent forum, hold DAC within one month and recover the amount from all those beneficiaries to whom the vehicles were given after 26.5.2010 violating the PAC directive.

18. **PARA-94 PAGE-127-128 ARPSE-2008-09**
IRREGULAR OUT OF TURN PROMOTION RESULTING INTO RECURRING
LOSS – RS.0.215 MILLION

PAC DIRECTIVE

The Committee settled the para.

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MINISTRY OF PETROLEUM AND NATURAL RESOURCES

ACTIONABLE POINTS DATED - 28TH AUGUST 2012

AUDIT REPORT PUBLIC SECTOR ENTERPRISES FOR THE YEAR, 2008-09

1.
 - i. **PAKISTAN STATE OIL COMPANY LIMITED**
PARA-169-ARPSE-2008-09) ITEM-17-AP-2008-09
LOSS DUE TO SHORT DELIVERY OF POL PRODUCT – RS. 3. 201
MILLION *
 - ii. **PARA-171, (ARPSE-2008-09) - ITEM-19-AP-2008-09**
NON-RECOVERY OF COST OF SUPPLIED HSD - RS 158MILLION *

PAC DIRECTIVE

The Committee pended the above two paras and directed the PAO to hold inquiry, fix responsibility through DAC, pursue the cases vigorously in the court of law and submit report to PAC/Audit within fifteen days.

2.
 - i. **PAKISTAN PETROLEUM LIMITED**
PARA NO.165 (INTRODUCTORY PARA)
 - ii. **PARA NO. 165.1 (WORKING RESULTS)**
 - iii. **PARA NO.166**
NON – RECOVERY OF LATE PAYMENT SURCHARGE-RS.3.534
MILLION
 - iv. **PARA NO.167**
LOSS DUE TO OVER-PAYMENT TO THE CONTRACTOR IN
VIOLATION OF CONTRACT AGREEMENT-RS.13, 057 MILLION
 - v. **PAKISTAN STATE OIL COMPANY LIMITED**
PARA NO.168
NON-RECOVERY OF OUTSTANDING DUES AGAINST SUPPLY OF
LUBRICANTS TO VARIOUS CUSTOMERS-RS.1.166 MILLION

* Discussed by the Committee again on 08-01-2013.

PAC DIRECTIVE

The Committee settled the above paras.

3.
 - i. **SUI SOUTHERN GAS COMPANY LIMITED.
PARA NO.173 (INTRODUCTORY PARA)**
 - ii. **PARA NO.173.1 (WORKING RESULTS)**
 - iii. **PARA #176
LOSS DUE TO UN-AUTHORIZED SALE OF HOUSE-HOLD ITEMS TO
EX-MANAGING DIRECTOR - RS.0.224 MILLION.**

PAC DIRECTIVE

The Committee settled the above three paras.

AUDIT REPORT PUBLIC SECTOR ENTERPRISES FOR THE YEAR 2005-06

4. **SAINDAK METALS LIMITED
PARA-185.5, (ARPSE-2005-06)-ITEM-14**

The PAO apprised the Committee about DAC's observations dated 24-08-2012 in compliance of PAC directives, that a Lahore based advocate and the MD,SML appeared personally before the Lahore High Court. Since the proper addresses of the defaulters are required to be provided to Civil High Court. In this regard the matter has been taken up of the defaulters from NADRA.

PAC DIRECTIVE

The Committee deferred the above para for fifteen days and directed the PAC Secretariat to write a letter to NADRA to provide the proper addresses and CNIC numbers of the defaulters which were required to Civil Court/M.D. Saindak Quetta within a week.

5. i. PAKISTAN STATE OIL COMPANY LIMITED
PARA # 182
FRAUDULENT EXPORT OF POL PRODUCTS TO AFGHANISTAN
INVOLVING MISAPPROPRIATION IN PAYMENT OF
CUSTOMS/EXCISE DUTIES – RS.24.74 MILLION.
- ii. SAINDAK METALS PRIVATE LIMITED
PARA # 185.2 AUDIT COMMENTS
- iii. PARA # 185.3 (AUDIT COMMENTS)
- iv. PARA # 186 - LOSS DUE TO PAYMENT OF DEMURRAGE CHARGES
ON THE IMPORT OF MACHINERY AND EQUIPMENT RS.58.83
MILLION.
- PAC DIRECTIVE

The Committee settled the above paras.

AUDIT REPORT PUBLIC SECTOR ENTERPRISES 2000-01 (VOL-I)

- PAKISTAN STATE OIL COMPANY LIMITED
6. PARA-173, (ARPSE-2000-01-VOL-I)-ITEM-7(II) (AP-2000-01)
LOSS OF RS 20.739 MILLION DUE TO FRAUD COMMITTED BY A CARTAGE
CONTRACTOR.

The PAO informed the Committee that the matter is still in the court of Law.

PAC DIRECTIVE

The Committee pended the above para till its next meeting on the Ministry.

7. i. NATIONAL REFINERY LIMITED
PARA # 162 (WORKING RESULTS)
- ii. PARA # 163 (WORKING RESULTS)
- iii. PARA # 164 (WORKING RESULTS)

- iv. PARA # 165
LOSS OF RS 58.792 MILLION AS PENALTY DUE TO NEGLIGENCE OF CONCERNED DEPARTMENT.

- v. PAKISTAN PETROLEUM LIMITED
PARA # 166
STATEMENT OF FACTS ABOUT THE CORE BUSINESS OF THE COMPANY

- vi. PARA # 167 (WORKING RESULTS)

- vii PARA # 168 (WORKING RESULTS)

- viii PARA # 169 (WORKING RESULTS)
PAKISTAN STATE OIL COMPANY LIMITED

- ix. PARA # 170 (WORKING RESULTS)

- x. PARA # 171
ADVANCES AGAINST EMPLOYEES AMOUNTED TO RS 167.010 MILLION.

- xi. PARA # 172
IRREGULAR DONATIONS AMOUNTING TO RS 61.612 MILLION AND US\$ 10926 IN VIOLATION OF GOVERNMENT ORDERS.

- xii. PARA # 174
LOSS OF INTEREST INCOME AMOUNTING TO RS 17.400 MILLION PER ANNUM DUE TO RETENTION OF FUNDS IN INTEREST FREE ACCOUNT.

- xiii. PARA # 176
LOSS OF RS 5.980 MILLION DUE TO SHORT DELIVERY OF PRODUCTS BY THE CARTAGE CONTRACTORS.

- xiv. PARA # 177
IRREGULAR PURCHASE OF CHEROKEE JEEPS 4000 CC COSTING RS.4.590 MILLION

- xv. PARA # 178
UN-AUTHORIZED OVERSTAY OF OFFICERS BEYOND THE AGE OF SUPERANNUATION RESULTING IN IRREGULAR PAYMENT OF RS.3.825 MILLION

- xvi. PARA # 181
UN-AUTHORIZED EXPENDITURE OF RS 0.622 MILLION ON PURCHASE OF VARIOUS ITEMS FOR MINISTRY OF PETROLEUM AND NATURAL RESOURCES
- xvi. PARA # 182
UN-JUSTIFIED EXPENDITURE OF RS 1.152 MILLION INCURRED ON PROVIDING TEA & MEALS TO SALES TAX STAFF.
- xvii. PARA # 183
IRREGULAR PAYMENT OF HONORARIA AMOUNTING TO RS.0.336 MILLION TO THE EMPLOYEES.
PAKISTAN STATE OIL COMPANY LIMITED
- xviii. PARA # 175
LOSS OF RS 13.589 MILLION DUE TO PAYMENT OF PENALTY
SUI SOUTHERN GAS COMPANY LIMITED.
- xix. PARA # 184 (WORKING RESULTS)
- xx. PARA # 185 (WORKING RESULTS)
- xxi. PARA # 186 (WORKING RESULTS)
- xxii. PARA # 187
EXCESSIVE LEAKAGE OF GAS RESULTING INTO LOSS OF RS.1277.451 MILLION.
SANDAK METAL LIMITED
- xxiii. PARA # 189 WORKING RESULTS
- xxiv. PARA # 190 WORKING RESULTS
- xxv. PARA # 191 - CAPITAL WORK
BP PAKISTAN EXPLORATION AND PRODUCTION INC. (FORMERLY UNION TEXAS PAKISTAN INC.
- xvi. PARA # 192 WORKING RESULTS
- xvii. PARA # 193 ADVANCES
PAC DIRECTIVE

The Committee settled all the above paras.

AUDIT REPORT PUBLIC SECTOR ENTERPRISES 1999-2000 (VOL-I)

PAKISTAN STATE OIL COMPANY LIMITED

8. **PARA-150, (ARPSE-1999-2000) - ITEM-4.25 (AP- 1999-2000)**

Audit reported that trade debts (unsecured) due from non-government agencies and autonomous bodies amounted to Rs. 1583.737 million at the end of the year 1999-2000 against Rs. 873.389 million in 1998-99. These unsecured debts increased by 81.44% as against 30.80% in sales. The liberal unsecured credit policy particularly when trade debts amounting to Rs. 40.499 million had to be written off in 1998-99 and provision of Rs.181.450 million for doubtful debts exists in the Accounts under review, needs justification.

The PAO informed the Committee that the matter was subjudice in the Court of Law and being pursued.

PAC DIRECTIVE

The Committee pended the para and directed the PAO to provide the detail of all the pending court cases. The Committee also directed the PAC Secretariat to write a letter to PAOs of all the Ministries/Divisions for provision of details of court cases.

9. i. **PARA-155 (ARPSE-1999-2000) - ITEM-4.26**
LOSS OF RS 4.475 MILLION ON HIRING OF OFFICE SPACE.

ii. **SAINDAK METALS LIMITED**
PARA-164 (ARPSE-1999-2000)-ITEM-4.31(AP-1999-2000)

The PAO informed the Committee that the matter is subjudiced on both the above paras in the Court of Law.

PAC DIRECTIVE

The Committee directed the PAO to provide the latest position of the Court cases and pended the above paras.

AUDIT REPORT PUBLIC SECTOR ENTERPRISES 1999-2000

10. i. **NATIONAL REFINERY LIMITED**
PARA-139 (WORKING RESULTS)
- ii. **PARA-143 (AUDIT COMMENTS)**
- iii. **PARA-144**
IRREGULAR PAYMENT OF BONUS / EX-GRATIA TO MANAGEMENT
CADRE AMOUNTING TO RS.40.554 MILLION.
- iv. **PAKISTAN STATE OIL COMPANY LIMITED**
PARA-149 (WORKING RESULTS)
- v.. **SAINDAK METALS (PVT.) LIMITED**
PARA-162 (WORKING RESULTS)
- vi. **PARA-163**
(UNION TEXAS PAKISTAN INC)
- vii. **PARA-167 (AUDIT COMMENTS)**
- viii. **NATIONAL CRESENT PETROLEUM LIMITED**
PARA-262 (AUDIT COMMENTS)
- ix. **PARA-263 (AUDIT COMMENTS)**
- x. **PARA-266 (AUDIT COMMENTS)**

PAC DIRECTIVE

The Committee settled the above 10 paras.

AUDIT REPORT PUBLIC SECTOR ENTERPRISES 1996-97 (VOL-X-C)

11. i. **PAKISTAN STATE OIL COMPANY LIMITED**
PARA-26 (ARPSE-1996-97)-ITEM-(AP-1996-97
SUSPECTED LOSS OF MORE THAN RS2.400 MILLION DUE TO
UNJUSTIFIED PAYMENT OF ADVANCE RENT.
- ii. **SAINDAK METALS LIMITED**
PARA-30, (ARPSE-1996-97)-ITEM-(AP-1996-97)

The management informed the Committee that the matter is subjudiced on both the above paras in the Court of Law. The DAC recommended to club the para with para 185.5 of ARPSE 2005-06 as both the paras relate to the same issue.

PAC DIRECTIVE

The Committee directed the PAO to club the above two paras with Para No.185.5 of ARPSE 2005-06 and pended them till its next meeting on the Ministry for fifteen days and directed the PAC Secretariat to write a letter to NADRA to provide the proper addresses and CNIC numbers of the defaulters which were required to Civil Court/M.D. Saindak Quetta within a week.

AUDIT REPORT PUBLIC SECTOR ENTERPRISES 1996-97

12. i. **PAKISTAN STATE OIL COMPANY LIMITED**
PARA NO.22 (AUDIT COMMENTS)
- ii. **PARA NO.23 (AUDIT COMMENTS)**
- iii. **PARA NO.25**
NON-RECOVERY OF DEVELOPMENT CHARGES AMOUNTING TO
RS.193.44 MILLION FROM WAPDA
- iv. **SAINDAK METALS (PVT.) LIMITED**
PARA NO.27-29 (AUDIT COMMENTS)

- v. NATIONAL REFINERY LIMITED
PARA NO.214 (AUDIT COMMENTS)

- vi. SUI SOUTHERN GAS COMPANY LIMITED
PARA NO.01
EXCESS EXPENDITURE OF RS 2.706 MILLION ON CONSTRUCTION
OF SPORTS STADIUM AT SHAH DAD KOT.

- vii. PARA NO.4.3
LOSS OF RS 30.537 MILLION DUE TO PURCHASE OF LINE PIPE AT
HIGHER RATES.

- viii. PARA NO.4.7
AVOIDABLE EXPENDITURE OF OVER RS.2.500 MILLION.

- ix. PARA NO.4.9
LOSS OF RS 2.011 MILLION DUE TO PURCHASE AT HIGHER RATES.

- x. PARA NO.4.10
ACCEPTANCE OF DEFECTIVE PIPE AND NON-PURSUANCE OF
CLAIM FOR DAMAGES OF RS.2.50 MILLION.

PAC DIRECTIVE

The Committee settled the above 12 paras.

- 13. i. PARA # 6.1(B), AR-1999-2000
NON-REALIZATION OF INTEREST ON LATE-PAYMENT OF
DEVELOPMENT SURCHARGE- RS.34.051 MILLION.

- ii. PARA # 6.1, AR-2000-2001
NON-REALIZATION OF GAS DEVELOPMENT SURCHARGE PLUS
INTEREST - (RS.3,481.283 MILLION RECOVERED
OUT OF RS.5, 564.283 MILLION.

- iii. PARA # 14.1 (A) AR-2005-06 (AMOUNT RS.139.997)
NON-REALIZATION OF LATE PAYMENT OF SURCHARGE -
RS.139.997 MILLION.

- iv. PARA # 14.1 (B) AR-2005-06 (AMOUNT Rs.139.997)
NON-REALIZATION OF LATE PAYMENT OF SURCHARGE -
RS.139.997 MILLION.

- v. PARA # 2.2 (A) AR-2008-2009 (AMOUNT RS.203.924)
NON-REALIZATION OF INTEREST ON LATE PAYMENT OF GDS
RS.203.924 MILLION
- vi. PARA # 2.2 (B) AR-2008-2009 (AMOUNT RS.203.924)
NON-REALIZATION OF INTEREST ON LATE PAYMENT OF GDS
RS.203.924 MILLION
- vii. PARA # 2.2 (C) AR-2008-2009 (AMOUNT RS.203.924)
NON-REALIZATION OF INTEREST ON LATE PAYMENT OF GDS
RS.203.924 MILLION
- viii. PARA # 2.1 AR-2008-09
NON-REALIZATION OF GDS FROM M/S. TULLOW PAKISTAN –
RS.148.735MILLION.
- ix. PARA # 3.1 AR-2008-09 (amount Rs.869.975)
NON-REALIZATION OF DISCOUNT ON CONDENSATE FROM M/S
OGDCL - RS.869.975 MILLION
- x. INADMISSIBLE REFUNDS ALLOWED TO REFINERIES
PARA # 4.1 & 4.2 AR-2008-09 (AMOUNT RS.17, 208.912)
SHORT REALIZATION OF REVENUE ON ACCOUNT OF PROFIT IN
EXCESS OF PERMISSIBLE CEILING OF 40% RS.389.133 MILLION.

PAC DIRECTIVE

The Committee directed the PAO to make recoveries, resolve the issues on the above paras within one month.

- 14. i. PARA # 2.2 & 2.3 SSR AR-2000-01
UNWARRANTED REFUND ON ACCOUNT OF PROFIT SHORTFALL
OF RS.11, 524. 575
- ii. PARA # 2.4 SSR AR 2000-01
EXCESS REFUND DUE TO APPLICATION OF INCORRECT 15 DAYS
AVERAGE ARAB GULF PLATT'S RATES AND EXCHANGE RATES-
RS.1.212 MILLION.
- iii. PARA # 3.1 SSR AR-2000-01 (AMOUNT RS.987.650)

The PAO promised to resolve the issues on the above paras before 30th September, 2012.

PAC DIRECTIVE

The Committee directed the PAO to club the above paras with para # 6.1, AR-2000-2001 as per decision of DAC, make recoveries within one month report to the PAC/ Audit.

AUDIT PARAS FOR THE AR-1999-2000 RECOMMENDED FOR SETTLEMENT BY DAC.

15. i. **PARA # 6.1 (A) AR-1999-00**
NON-REALIZATION OF INTEREST ON LATE PAYMENT OF DEVELOPMENT SURCHARGE RS.869.918 MILLION
- ii. **PARA # 6.2. AR-1999-00**
SHORT REALIZATION OF DEVELOPMENT SURCHARGE ON SOLVENT OIL RS.17.673 MILLION.
- iii. **PARA # 6.3 AR-1999-00**
SHORT REALIZATION OF DEVELOPMENT SURCHARGE OF RS. 0.810 MILLION.

PAC DIRECTIVE

The Committee settled the above paras.

AUDIT REPORT FOR THE YEAR 2008-09

16. **PARA # 1.1 (A)(B)& 5.3 AR-2008-09**
SHORT- REALIZATION OF ROYALTY ON LPG - RS.785.101MILLION

The PAO apprised the Committee that a committee of experts were constituted under the directives of PAC who discussed the issue and firmed views that royalty on LPG is payable on its sale value. The companies were asked to pay the royalty on actual sale/market value instead of shrinkage value for the previous years but the companies were reluctant to pay the royalty on such value so the M/o Petroleum has referred the case to M/o Law for advice according to rules and the advice of Law Division is awaited. Auditor General of Pakistan pointed out that it should be resolved at ministerial level as decided by the previous Secretary with Audit.

PAC DIRECTIVE

The Committee directed the PAO to verify the case from the Audit Department for settlement considering previous PAC directive / decision of the Ex-Secretary and submit report to PAC within 15 days.

AUDIT REPORT PUBLIC SECTOR ENTERPRISES 2008-09

17. i. **SUI NORTHERN GAS PIPELINES LIMITED**
PARA-177.3, PAGE-256-257-ARPSE-2008-09
FINANCIAL RESULTS *
- ii. **PARA-181, PAGE-264-ARPSE-2008-09**
IRREGULAR PAYMENT OF SPECIAL EXCISE DUTY – RS.45.528
MILLION *
- iii. **PARA-184, PAGE-267-ARPSE-2008-09**
LOSS DUE TO NON RECOVERY OF LIQUIDATED DAMAGES AND
MARKUP CHARGES FROM SUPPLIER – RS.2.600 MILLION.
- iv. **PARA-185,PAGE-267-268-ARPSE-2008-09**
NON RECOVERY ON ACCOUNT OF RISK AND COST
PURCHASE - RS.2.739 MILLION *
- v. **PARA-186, PAGE-268-ARPSE-2008-09**
THEFT OF STORES ITEMS VALUING – RS.1.816 MILLION.*
- vi. **PARA-187, PAGE-269-ARPSE-2008-09**
LOSS DUE TO NON-ACCEPTANCE OF MARINE INSURANCE CLAIM -
US \$ 14,684 (RS.0.881 MILLION) *
- vii. **OIL AND GAS DEVELOPMENT COMPANY LIMITED**
PARA-189, PAGE-276-277-ARPSE-2008-09
- viii. **PARA-190, PAGE-277-278-ARPSE-2008-09**
LOSS DUE TO NON-INITIATING RISK AND COST ACTION AGAINST
THE DEFAULTING SUPPLIER -US \$ 195,600 – RS.13.692 MILLION *
- ix. **PARA-191, PAGE-278-279-ARPSE-2008-09**
LOSS OF MATERIAL IN TRANSIT – RS.8.687 MILLION *

* Discussed subsequently on 08-01-2013.

- x. **PARA-192, PAGE-279-280-ARPSE-2008-09**
IRREGULAR APPOINTMENT OF CONSULTANTS AND
PAYMENT - RS.3.175 MILLION *

- xi. **GOVERNMENT HOLDINGS (PVT.) LIMITED**
PARA-200. 5, PAGE-297-298-ARPSE-2008-09
AUDIT COMMENTS

PAC DIRECTIVE

The Committee pended the above paras.

AUDIT REPORT PUBLIC SECTOR ENTERPRISES 2008-09

- 18. i. **OIL AND GAS DEVELOPMENT COMPANY LIMITED**
PARA-193, PAGE-280-281-ARPSE-2008-09
LOSS DUE TO NON INITIATING RISK PURCHASE ACTION AGAINST
THE DEFAULTER FIRM –RS 3.114 MILLION.

- ii. **PARA-198, PAGE-290-291-ARPSE-2008-09**
LOSS DUE TO NON RECOVERY OF RISK PURCHASE COST FROM
THE DEFAULTING SUPPLIER – RS.23.652 MILLION.

- iii. **SUI NORTHERN GAS PIPELINES LIMITED**
PARA # 177. 2

SNGPL is entitled to a 17.5% return on its average net operating assets (excluding assets financed through Government grants and customers contributions). However, certain adjustments were made to the guaranteed return by Oil and Gas Regulatory Authority (OGRA). The Regulator reduced the total return of 17.5% UFG being over and above the prescribed target by 2.57%. These deductions resulted in the reduction of EPS by Rs.2.87 for the year 2007-08.

* Discussed subsequently on 08-01-2013.

iv. **PARA # 177. 7**

Development surcharge of the Company increased from 2.046 billion in 2005-06 to Rs.9.515 billion in 2006-07. Under the provisions of World Bank loan 3352-PAK the Company is required to earn a return on operating fixed assets at least 17.5%. Any surplus or deficit on account of GDS is recoverable or payable to the Government of Pakistan as differential margin or gas development surcharge.

v. **PARA # 177. 9**

The current ratio of the Company decreased from 1.31 in 2006-07 to 1.19 in 2007-08. However it is important to note that the Company received Rs.7.877 billion during the year, 2007-08 from Government of Pakistan under Khushhal Pakistan Schemes. The healthy financial position of the Company is mainly due to receipt of this heavy funding by the Government.

vi. **PARA # 177. 11**

SNGPL did not have a formal internal IT audit function to review the IT activities and to ensure controls exist and were effective.

vii. **PARA # 178**
NON-RECOVERY FROM M/S. GUDDU POWER STATION SINCE 2005
– RS.175.965 MILLION

Clause-16 of gas sales agreement necessitates disconnecting the gas connection if the bill is not paid within ten days of the billing date.

viii. **PARA # 179**
NON RECOVERY FROM CONSUMERS OF GURGURI AND URBASHI
VILLAGE OF DISTRICT KARACK – RS.65.126 MILLION

As per clause 11.3.2 of billing manual, bills to the domestic consumers be issued not later than 10th of each month. As per clause 14, disconnection was to be made when the default rose up to 75% of security deposit.

OIL AND GAS DEVELOPMENT COMPANY LIMITED

ix. **PARA # 188.5**

Net sales of the Company increased to Rs.125.446 billion in 2007-08 as compared to Rs.100.261 billion in 2006-07 registering an increase by 25%, it was due to combination of increased sales volume of crude oil, gas and sulfur, sale volume of crude oil, gas and sulfur increased by 7.95%, 4.45% and 74.69% respectively. Royalty's expense increased by 59%, as royalty is always 12.5% of the well head value. The working of the royalty expense along with reasons for increase may be explained.

PIRKOH GAS COMPANY (PVT) LIMITED

x. **PARA NO.196.2**

The exploratory / development well planned to be drilled for the last many years at field is yet to be drilled. The position needs early attention of the management to improve the situation in the years to come.

xi. **PARA NO.196.5**

The trade debts (unsecured considered good) of the Company stood Rs.78.368 million as on June 30, 2008 (2006-07 Rs.144.630 million). Although the trade debts were decreased by 46% during the year under review yet the trade debts are on higher side when the Company is in the process of merger. Early recovery of the debts is stressed upon the management.

xii. **PARA NO.196.6**

Other receivables decreased by 40% from Rs.333.204 million as on June 30, 2007 to Rs.201.281 as on June 30, 2008. This included an amount of Rs.12.584 million (2006-07 Rs.16.084 million) receivable on account of Worker Profit Participation Fund. The reasons for which the amount could not be received may be communicated.

PAKISTAN MINERAL DEVELOPMENT CORPORATION (PVT.) LIMITED

xiii. **PARA NO.197.1 (WORKING RESULTS)**

xiv. **PARA NO.197.2 (WORKING RESULTS)**

xv. **PARA NO.197.4 (WORKING RESULTS)**

Trade debts were increased from Rs.28.091 million in 2006-07 to Rs.67.510 million in the year 2007-08 by registering increase of 140%, whereas the increase in sales was by 25%. This resulted in decline in debtor's turnover ratio from 33.42 times in 2007 to 17.15 times in 2008. The management is stressed for early collection of trade debts and reduce average collection period. Management created provision for doubtful debts valuing Rs.14.011 million in the annual accounts for the year 2007-08 against the receivables from LCDCL which is an associated undertaking. The non recovery of dues and creation of provision needs justification.

GOVERNMENT HOLDINGS (PVT) LIMITED

xvi. **PARA # 200.2**

An amount of Rs.5, 500.000 million was invested in short term deposits schemes during 2007-08. The short term investment during the year 2006-07 was Rs.7, 399.623 million. In order to avail high interest rates, the management was required to invest such huge amounts in long term deposits schemes.

xvii. **PARA # 200.3**

The Company possessed assets worth Rs.12, 055.642 million in which share of own assets was Rs.7.901 million whereas share in the joint venture's fixed assets was Rs.6, 675.994 million. Physical verification of own assets was not carried out by the management at the end of 2007-08.

DIRECTIVE

The Committee settled the above 17 paras.

ACTIONABLE POINTS – 8TH JANUARY, 2013,

AUDIT REPORTS FOR THE YEAR 1999-2000

1.
 - i. **PARA # 6.1 (a) – AR-1999-2000**
NON REALIZATION OF INTEREST ON LATE PAYMENT OF DEVELOPMENT SURCHARGE RS. 869.918 MILLION
 - ii. **PARA # 6.1 (b) – AR-1999-2000**
NON REALIZATION OF INTEREST ON LATE PAYMENT OF DEVELOPMENT SURCHARGE RS. 34.051 MILLION.
 - iii. **PARA # 6.2- AR-1999-2000**
SHORT REALIZATION OF DEVELOPMENT SURCHARGE ON SOLVENT OIL RS 17.673 MILLION DEVELOPMENT SURCHARGE OF RS 17.673 MILLION WAS SHORT REALIZED.
 - iv. **PARA # 6.3 – AR-1999-2000**
SHORT REALIZATION OF DEVELOPMENT SURCHARGE RS 0.810 MILLION

PAC DIRECITVE

The Committee on the recommendations of DAC settled the above paras.

AUDIT REPORTS FOR THE YEAR 2008-2009

2. **PARA # 3.1 – AR-2008-09**
NON REALIZATION OF DISCOUNT ON CONDENSATE FROM M/S OGDCL – RS 869.975 MILLION.

Audit pointed out that M/s OGDCL had been producing petroleum products since 1994 from Dhodak field. The company did not pay royalty and discount on condensate produced since inception on the understanding that they were not selling condensate to third party and using internally in their own refinery. This resulted into non realization of discount of Rs 869.975 million.

The PAO informed the Committee that the matter was discussed in various DACs. OGDCL was directed to pay the amount involved but company was contesting the matter on the plea that OGDCL would not pay discount on Dhodak condensate because they did not sell the same. OGDCL was directed to pay discount as per Ratana field condensate price. The OGDCL insisted that case be referred to Law Division. The case had been referred to Law Division for their advice.

PAC DIRECTIVE

The Committee referred the para back to DAC with the directive to resolve the issue and submit report within 15 days.

3. PARA # 4.1 & 4.2 – AR-2008-09

A) INADMISSIBLE REFUND ALLOWED TO REFINERIES- RS 17,208.912 MILLION

B) SHORT REALIZATION OF REVENUE ON ACCOUNT OF PROFIT IN EXCESS OF PERMISSIBLE CEILING OF 40% - RS 389.133 MILLION.

4.1. Audit pointed out that three refineries claimed refund on account of profit shortfall during the period from 1992-93 to 2001-2002 although they were earning a profit ranging between 10% to 40% and there was no loss to the refineries on account of any profit shortfall. The refund so claimed amounting to Rs.17, 075.823 million, though inadmissible, was paid to the claimants during the said period. An amount of Rs.133.089 million was also paid in excess on account of profit shortfall due to non inclusion of other income from non-refinery operations. Thus total amount of Rs.17, 208, 912 million was excess paid to the refineries.

4.2 Audit pointed out that According to decision of the Economic Coordination Committee (ECC) dated 25th April, 1993 refineries were allowed to operate on import parity prices and the rate of return in the shape of profit margin including

other income was limited to a range of 10% to 40% on the paid-up capital. Two refineries earned profit in excess of 40% during the year 1993 to 1999. The amount of profit in excess of 40% was required to be deposited into government treasury but Rs.389.133 million were not deposited.

PAC DIRECTIVE

The Committee referred the para again to the DAC with the directive to satisfy the Audit and submit report to PAC within 10 days.

ACTIONABLE POINTS OF AUDIT REPORT PUBLIC SECTOR ENTERPRISES FOR THE YEAR 2008-09

PAKISTAN STATE OIL COMPANY LIMITED

4. **PARA-169- ITEM-17-(ARPSE-2008-09)**
LOSS DUE TO SHORT DELIVERY OF POL PRODUCT - RS 3.201 MILLION.

Audit pointed out that as per clause 10 to 13 of cartage agreement dated June 12, 1990 between Pakistan State Oil (PSO) and M/s. Farhat Transport Company (the contractor), the safety of goods in transit and to ensure proper delivery of quantity and quality of goods to consignee and to obtain proper receipts of the delivery was responsibility of the contractor. Contrary to above, POL products (HSD, LDO and M.S.) costing Rs 6.119 million were short delivered by the contractor at destinations during the period 1994 to 2000. The management recovered an amount of Rs 2.999 million in installments up to December 2001. However, the balance recovery of Rs 3.120 million could not be recovered which was outstanding as on June 30, 2008.

The PAO informed the Committee that in the year 1999 the Cartage Contractor requested for payment of amount in installments. The request was approved by the Management. But the Cartage Contractor failed to pay as committed. Summons were served on the defendants through District Judge Chakwal in

March 2007 but the Bailiff reported that the defendant has died and the Court directed that the Plaintiff should provide details of legal heirs of the defendant for service of summons.

The PAO further also informed the Committee, PSO was pursuing the recovery suit in the Court of law.

PAC DIRECITVE

The Committee pended the para and directed the PAO to submit inquiry report within 3 days.

PAKISTAN STATE OIL COMPANY LIMITED

5. PARA-171-(ARPSE-2008-09)-ITEM-19 NON-RECOVERY OF COST OF SUPPLIED HSD - RS 158 MILLION

Audit pointed out that as per Credit Control and Billing (CCB) System of the Pakistan State Oil (PSO), the CCB Department had to take no unwarranted risk and to monitor that payment of all receivables was made within the credit terms and specified time.

PSO supplied High Speed Diesel (HSD) to M/s. Pakistan Motor Ways Contractors Joint Venture (PMC-JV) during the period March 2004 to December 2005. The supplies were made on the basis of local Letters of Credit (L/C) established by the PMC-JV in favour of PSO. However, PSO could not realize the dues amounting to Rs.158 million due to non-submission of their bills within the validity of L/C. Consequently, PMC-JV agreed in November 2006 to pay the balance amount in installments but failed to honor their commitment and no recovery could be made by PSO till June 30, 2008.

The non-recovery was pointed out to management in June 2009. Subsequently the matter was discussed in the DAC meeting held on July 01, 2009. The DAC directed the management to pursue the recovery suit in the court of law.

PAC DIRECTIVE

The Committee directed the PAO to fix responsibility and submit the report within 10 days. The Committee also directed the PAC Secretariat to write a letter to PAOs, M/o Communications and M/o Petroleum and Natural Resources to ask them to collectively resolve the issue.

SUI NORTHERN GAS PIPELINES LIMITED

6. PARA-177.3, PAGE-256-257-ARPSE-2008-09 - FINANCIAL RESULTS

The PAO apprised the Committee during discussion on the para that SNGPL has 46% share of public money and 54% share of Private Company. The payment was made for the first time to Punjab and Swabi Universities which was not recovered. However, no child of CNGPL employees was studying in LUMS. The PAO also informed the Committee that help was taken by the BOD constitutionally and the Company was getting profit.

PAC DIRECTIVE

The Committee directed to refer the above para to the BOD. If BOD approves then verify it from Audit. The Committee also directed the PAO to provide the list of theft and default cases in excess of Rs.1 million, within 5 days.

PAC directed that the matter may be presented to the BOD of the Company which should look at the conflict of interest aspects, as some of the then members of SNGPL were also members of the Boards of beneficiary institutions.

In the event of approval by the current Board, the para would be settled subject to verification by Audit

7. **PARA-181 - ARPSE-2008-09**
IRREGULAR PAYMENT OF SPECIAL EXCISE DUTY – RS.45.528 MILLION

Clause-1 of General Terms and Conditions of tender stipulates that price quoted by supplier is firm, irrevocable and include all taxes and duties.

Audit pointed out that SNGPL paid Special Excise Duty (SED) of Rs 45.528 million in 2007-08 to various pipe suppliers under SRO No.665 (I) dated June 29, 2007. In terms of SRO additional excise duty @ 1% was levied on purchase orders placed after July, 2007, however, the management of SNGPL paid the duty to the suppliers to whom the purchase orders were issued prior to the implementation of the orders on firm and irrevocable offers. The payment of Special Excise Duty of Rs 45.528 million was considered irregular as all the purchase orders were placed on the basis of firm and irrevocable prices including all taxes / duties as contained in respective purchase orders. The duty was borne by the concerned suppliers but the management extended undue financial benefit to them.

The irregularity was pointed out to the management and Ministry on May 26, 2009. The management in its reply dated June 30, 2009 stated that sales tax consultants was of the opinion that as per Section 64-A of Sales of Goods Act 1930, if custom duty or sales tax was imposed after the contract had been entered but before supply of goods, same could be passed on to the buyer.

Audit was of the view that special excise duty was imposed by the Government after issuing firm and irrevocable purchase orders as such special excise duty was to be borne by the suppliers

The DAC in its meeting held on July 03, 2009 directed the management to take the matter with FBR to seek clarification / interpretation of Section 64-A of the Sales of Goods Act 1930.

PAC DIRECTIVE

The Committee directed to settle the above para subject to verification of stated facts by the Audit.

**8. PARA-184 - ARPSE-2008-09
LOSS DUE TO NON RECOVERY OF LIQUIDATED DAMAGES AND MARKUP CHARGES FROM SUPPLIER – RS.2.600 MILLION**

In compliance of PAC directions, the inquiry report in this matter has been submitted to PAC by MPNR which confirmed vide DAC minutes dated 21-04-2011.

PAC DIRECTIVE

The Committee settled the para subject to verification by the Audit.

**9. PARA-185 - ARPSE-2008-09
NON RECOVERY ON ACCOUNT OF RISK AND COST PURCHASE-RS.2.739 MILLION**

Audit pointed out that SNGPL, Purchase and Store Department placed purchase order dated July 19, 2005 on M/s. Allied Engineering for the supply of 70 HSI Tabular Anode Kits with the delivery period of 12 weeks. The party supplied 21 Anode Kits and failed to provide remaining 49 Kits, which was subsequently purchased at the risk and cost of the party by incurring extra expenditure of Rs.4.012 million, which was recoverable from supplier.

The management recovered Rs.1.271 million by encashing their performance bond and leaving a balance of Rs.2.739 million.

The DAC in its meeting held on July 03, 2009 directed the management to follow the case with the Arbitrator for early settlement of the matter.

PAC DIRECTIVE

The Committee directed the PAO to pursue the case for arbitration and report to the Committee.

10. **PARA-186, PAGE-268 -ARPSE-2008-09**
THEFT OF STORES ITEMS VALUING – RS.1.816 MILLION

The DAC in its meeting held on 06.03.2010 directed the company to submit a conclusive report to the Ministry and audit and pursue the matter vigorously. In compliance of DAC/PAC direction a copy of enquiry report conducted by the committee is enclosed. The DAC directions have been noted for compliance. It is informed that FIR was lodged immediately after the incident. The matter has been decided by the court and Police has been directed to apprehend the culprit who has been declared “proclaimed offender”.

The DAC directed the management to pursue the case vigorously with the Police.

PAC DIRECTIVE

The Committee directed the PAO to vigorously pursue the case with the Police.

11. **PARA-187, PAGE-269-ARPSE-2008-09**
LOSS DUE TO NON-ACCEPTANCE OF MARINE INSURANCE CLAIM - US \$
14,684 (RS.0.881 MILLION)

According to clause 6 of purchase order, price includes sea worthy packing. Stores should be securely packed to ensure safe transit by sea.

Audit pointed out that SNGPL placed a purchase order dated December 08, 2006 on M/s. Solar Turbine, USA for supply of spares for Centaur Compressor on FOB basis. The shipment was insured through National Insurance Company Limited. The consignment reached at Base Store, Multan on October 03, 2007 and according to discrepancy report, 30 filters valuing US \$ 14,684 were found completely damaged due to defective packing. Resultantly, filters were destroyed due to rainy water entered into the wooden boxes as during transit. The management took up the matter with M/s. NIC on October 03, 2007 but the claim was not materialized. The management did not lodge the claim on the supplier who was responsible for proper and effective packing of consignment to shield against the weather hazards.

The DAC in its meeting held on July 03, 2009 directed the management to pursue the case with National Insurance Company (NIC) as well as with M/s. Solar Turbines to recover the amount.

PAC DIRECTIVE

The Committee settled the para subject to verification by Audit.

OIL AND GAS DEVELOPMENT COMPANY LIMITED

12. **PARA-189,PAGE-276-277-ARPSE-2008-09**
LOSS DUE TO NON PROCUREMENT OF STORE AT RISK AND COST OF
DEFAULTER FIRM (US \$ 2.018 MILLION) – RS.139.227 MILLION AND NON
FORFEITURE OF BID MONEY – RS.5.500 MILLION

PAC DIRECTIVE

The Committee directed to inquire into the matter at PAO level and report to the PAC within one month.

The PAO informed the Committee that inquiry has been completed by Additional Secretary, M/O P&NR. The report has been submitted to PAC Secretariat with a copy of it to MD/CEO (OGDCL) with the instructions to take appropriate action in this regards and submit a compliance report to M/O P&NR to comply with the directives of PAC, Inquiry has been conducted by Additional Secretary, P&NR which is under finalization at Ministry level.

Audit pointed out that the management placed purchase order on February 1, 2008 whereas the clarification from FBR was received on January 4, 2008 and bid validity period expired on January 1, 2008. This led to establish that purchase order could be issued without waiting for the clarification from FBR. M/s Huffaz refused to accept the purchase order after bid validity date and claimed 35% enhancement in rates. BOD did not agree the upward revision due previous track record of the bidder and advised to black list the bidder in its 66th meeting held on March 26, 2008. The management did not blacklist the supplier and released the bid bond on the pretext that supplier is the only API certified company and always quotes cheaper rates. Paradoxically, M/s Huffaz was not allowed to participate in the 2nd bidding round and the company placed order with M/s TMK Global AG Switzerland @ US \$ 5.502 million against the offer of M/s Huffaz of US \$ 4.613 million (US \$ 3.484 million X 35%).

BOD in its 110th meeting held on October 29, 2009 decided that the management took appropriate decision under the circumstances which was in contradiction to its earlier decision dated March 26, 2008.

Management did not apprise the BOD with true facts and concealed their fault of issuance of purchase order after validity period. This resulted in loss of Rs.139.227 million to the company due to undue favour to the supplier.

PAC DIRECTIVE

The Committee directed the PAO to hold inquiry, fix responsibility and submit the report to PAC through Audit within 10 days.

**13. PARA-190,PAGE-277-278-ARPSE-2008-09
LOSS DUE TO NON-INITIATING RISK AND COST ACTION AGAINST THE
DEFAULTING SUPPLIER - US \$ 195,600 – RS.13.692 MILLION**

The Audit pointed out that in terms of clause 17.1 of the contract agreement, the purchaser may without prejudice to any other remedy for breach of contract, by written notice of default sent to the seller, terminate the contract in whole or in part if the seller fails to deliver any or all the goods within the time period specified in the contract and letter of credit or any extension period granted by the purchaser. In the event, the purchaser terminates the contract in whole, the purchaser may procure, upon such terms and in such manners as he deems appropriate, goods similar to those undelivered and the seller shall be liable for any excess costs for such similar goods.

OGDCL, Islamabad placed an order dated July 22, 2005 on M/s. ADOS Pakistan Limited for the supply of 75 heavy weight drill pipes @ US \$ 3,400 per JT. As per LC dated July 26, 2005 the last shipment date of the consignment was September 18, 2006. The supplier failed to supply the material till the expiry of LC on October 02, 2006. Management cancelled the contract under clause 15 of the agreement on December 29, 2006, by forfeiting Rs.1.500 million being 10% bank guarantee of the supplier, instead of terminating it under risk and cost clause 17.1 (ii). Later on the material was purchased from M/s. Reamco Inc USA @ US \$ 6,008 per JT vide purchase order dated August 30, 2007. Thus OGDCL

sustained a loss of US \$ 195,600 equal to Pak Rs.13.692 million (US \$ 6,008 - 3,400 = US \$2,608 x 75 = US \$ 195,600 x Rs.70 = Rs.13.692 million)

The matter was reported to the management on April 02, 2009. The management in its reply April 22, 2009 stated that M/s. ADOS was using delayed tactics, hence the contract was terminated. It was further stated that price quoted by M/s. ADOS was of the year 2002 while the material was purchased during 2007 when steel prices were abnormally high. Reply was not convincing as risk and cost action was required to be initiated as per terms and conditions of contract agreement dated July 22, 2005.

The DAC in its meeting held on June 11, 2009 directed the management to place the matter before the Board of Directors for its consideration

PAC DIRECTIVE

The Committee directed the PAO to refer the matter to BOD of the Company to resolve the issue and submit report to PAC within 10 days.

14. PARA-191, PAGE-278-279-ARPSE-2008-09
LOSS OF MATERIAL IN TRANSIT – RS.8.687 MILLION

OGDCL procedure for engagement of consultants provides that in order to engage the services of qualified consultants for short term assignments (maximum 06 months), the department concerned shall seek the services of individual consultants through press advertisement for the proposed job giving a brief description of assignment.

OGDCL engaged the services of six consultants without observing the procedure. Due to appointment of these six consultants without determination of scope of work and observing the procedure framed by OGDCL the entire

payment of consultancy fee paid for the period from July 2001 to June 2003 amounting to Rs.3.175 million was considered irregular.

The PAO informed the Committee that the total outstanding MIT was not due to the rejection/shortage of material. Out of Rs.8.687 million outstanding against MIT, material amounting to Rs.4.021 million which represents 46% had been cleared, detail of which is tabled below: -

PAC DIRECTIVE

The Committee settled the para subject to recovery of amount and verification by Audit.

**15. PARA-192, PAGE-279-280-ARPSE-2008-09
IRREGULAR APPOINTMENT OF CONSULTANTS AND PAYMENT - RS.3.175 MILLION**

Audit pointed out that OGDCL procedure for engagement of consultants provides that in order to engage the services of qualified consultants for short term assignments (maximum 06 months), the department concerned shall seek the services of individual consultants through press advertisement for the proposed job giving a brief description of assignment.

OGDCL engaged the services of six consultants without observing the procedure. Due to appointment of these six consultants without determination of scope of work and observing the procedure framed by OGDCL the entire payment of consultancy fee paid for the period from July 2001 to June 2003 amounting to Rs.3.175 million was considered irregular.

The issue was discussed in the DAC meeting held on June 06, 2008. They informed the DAC that consultants were appointed by the approval of OGDCL's Board of Directors vide letter No. Board 0101/108/HRSC-I dated 30.06.2001.

PAC DIRECTIVE

The Committee settled the para subject to verification of the Audit. The Committee further directed that it may be clarified whether payments to officials, members of BOD violated the TA/DA rules.

GOVERNMENT HOLDINGS (PVT.) LIMITED

16. PARA-200.5 - ARPSE-2008-09

Audit pointed out that Debtors Turnover Ratio shows almost a straight line in terms of times which showed stability. On the other hand, in terms of days, it showed that time span to recover receivables had been increased from 94 days (2006-07) to 102 days (2007-08) but it was still on lower side as compared to the year 2005-06 i. e 108 days. More efforts could be made to reduce the time span for recovering the receivables.

The outstanding amount was from Public Sector Entities (PSEs) due to Circular Debt. GHPL was incapacitated to recover this amount.

PAC DIRECTIVE

The Committee pended the para till next meeting.

AUDIT REPORT PUBLIC SECTOR ENTERPRISES 2005-06 (ACTIONABLE POINTS)

OIL AND GAS DEVELOPMENT COMPANY LIMITED

17. i. PARA-193.6 - ARPS-2005-06

As per international benchmark, the drilling cost of OGDCL during 2004-05 comes to US \$ 1,519 per meter as international average drilling cost of US\$ 700 per meter which is more than double in comparison to the drilling cost of other competitors.

- ii. **PARA-193.8 - ARPS-2005-06**
An amount of Rs.213.488 million lying outstanding against certain refineries since,1995 and 2002. Crude oil is being supplied to these refineries under provisional agreement and OGDCL has failed to enter into an agreement with these refineries.
- iii. **PARA-193.11 - ARPS-2005-06**
OTHER RECEIVABLES INCLUDING AN AMOUNT OF RS.14.711 MILLION AS ON JUNE30, 2005 (2004:RS.7.654 MILLION) ON ACCOUNT OF CLAIMS. THE MANAGEMENT FAILED TO PROVIDE THE CLAIM WISE DETAIL OF RECEIVABLES.
- iv. **PARA-195 - ARPS-2005-06**
IRREGULAR EXPENDITURE ON FOREIGN VISITS OF OFFICERS-RS.2.959 MILLION
- v. **PARA-196 - ARPS-2005-06**
LOSS DUE TO DELAY IN AWARD OF CONTRACT FOR SALE OF GAS-RS.18.562 MILLION
- vi. **PARA-197 - ARPS-2005-06**
EXPECTED LOSS ON ACCOUNT OF ENCASHMENT OF INDEMNITY BOND BY CUSTOM AUTHORITIES-RS.35.283 MILLION
- vii. **PARA-198 - ARPS-2005-06**
 - a. **IRREGULAR PURCHASE F STORE ON SINGLE SOURCE BASIS-RS.23.318**
 - b. **UN-NECESSARY PROCUREMENT OF STORE-RS.1.207 MILLION**
- viii. **PARA-200 - ARPS-2005-06**
EMBEZZLEMENT ON ACCOUNT OF HOUSE ACQUISITION PAYMENT -RS.0.610 MILLION
- ix. **PARA-202**
 - a. **PROCUREMENT OF BLACK WATCH TAPE CARTRIDGES ON SIGNAL SOURCE BASIS-RS.2.504 MILLION**
 - b. **UN-NECESSARY PROCUREMENT OF STORE-RS.1.257 MILLION**

D.G. Audit verified the above nine paras for settlement.

PAC DIRECITVE

The Committee settled the above nine paras on recommendation of the Audit.

AUDIT REPORT PUBLIC SECTOR ENTERPRISES – 2005-06

10. i. **OIL AND GAS DEVELOPMENT COMPANY LIMITED**
PARA – 193.9 (AUDIT COMMENTS)
- ii. **PARA – 193.10 (AUDIT COMMENTS)**
- iii. **PARA – 193.12 (AUDIT COMMENTS)**
- iv. **PARA – 194 – AWARD OF CONTRACT TO A FIRM ONA HIGHER RATES FOR AFFORESTATION – RS.11.312 MILLION AND LOSS DUE TO PAYMENT OF MOBILIZATION AVANCE AGAINST FAKE BANK GUARRANTTEES – RS.2.828 MILLION**
- v. **PARA – 199 – LOSS DUE TO NON-RECOVERY FROM M/S EASTERN MURPHY OIL COMPANY-RS.0.353 MILLION PAKISTAN MINERAL DEVELOPMENT CORPORATION LIMITED**
- vi. **PARA – 2005 NONRECOVERY OF COST OF LAND FROM THE PURCHASER – RS.0.635 MILLION**

PAC DIRECTIVE

The Committee directed the PAO to implement the recommendations of DAC and vigorously pursue where the issues are pending in courts.

AUDIT REPORT PUBLIC SECTOR ENTERPRISES - 2000-01(VOL-II)

11. i. **PIRKOH GAS COMPANY (PVT) LIMITED**
PARA-167 IRREGULAR PAYMENT OF BONUS TO OFFICERS.
- ii. **PARA-170 IRREGULAR PAYMENT OF BONUS AMOUNTING TO RS.785,884 TO OFFICERS.**
- iii. **Para-172 IRREGULAR PAYMENT OF BONUS TO OFFICERS**

- iv. PARA-176 LOSS OF RS.74.003 MILLION
- v. PARA-179 NON ENCASHMENT OF BANK GUARANTEE AMOUNTING TO RS.1.205 MILLION OF M/S HUFFAZ LTD
- vi. PARA-186 NON RECOVERY OF RS.6.499 MILLION ALONG WITH MARKSUP FROM ENGINEERING COMPANY.
- vii. PARA-187 IN FRUCTUOUS EXPENDITURE OF RS.5.550 MILLION ON PURCHASE OF RICTUALIC RUBBER PACKING.
- viii. PARA-190 NON-RECOVERY OF RS.1.494 MILLION BY EXECUTION OF DECREE AGAINST M/S AL ABBAS GOODS TRANSPORT CO. SINCE 1995
- ix. PARA-191 LOS OF RS.1.445 MILLION DUE TO FRAUDULENT SALE OF SULPHUR
- x. PARA-196 NON RECOVERY OF RS.291,312 FROM M/S CHAUDHRY STEEL CORPORATION. MULTAN.
- xi. PARA-198 OVERPAYMENT OF DEPUTATION ALLOWANCE TO DEPUTATIONISTS-RS.101,684
- xii. PARA-201 AUDIT COMMENTS
- xiii. PARA-207 DOUBTFUL RECOVERS OF RS. 58.761 MILLION FROM DEFAULTING CONSUMER DUE TO OBTAINING INADEQUATE SECURITY
- xiv. PARA-208 NON-RECOVERY OF RS.21,546 MILLION FROM DEFAULTING CONSUMER INVOLVED IN PILFERAGE/MISUSE OF GAS SUPPLY
- xv. PARA-213 LOSSOF RS.7.036 MILLION DUE TO UNDER BILLING THROUGH PUNCHING FICTICIOUS READING IN COMPUTER
- xvi. PARA-214 ILLEGAL PAYMENT OF RS.6.023 MILLION AGAINST FAKE DOCUMENTS
- xvii. PARA-217 LOSS OF RS.3.630 MILLION DUE TO SUPPLY OF GAS TO CONSUMER WITHOUT GUARRANTTEE

xviii. **PARA-218 LOSS OF RS.2.611MILLION DUE TO UNDER BILLING TO CONSUMERS**

ix. **PARA-220 MISAPPROPRIATION OF COMPANY FUNDS RS.0.146 MILLION BY AN EX-EMPLOYEE**

PAC DIRECTIVE

The Committee directed the PAO that the decision of the DAC for the above paras may be implemented.

12. i. PARA – 164

As per sample test conducted by the M/s Khalid Majid Rehman, statutory Auditors of the Company, covering 70% of value of spares showed variations of 48%. The report submitted after physical verification disclosed differences.

ii. **PARA-165**
IRREGULAR DISPOSAL OF FIXED ASSETS

iii. **PARA-166**
PHYSICAL STOCK TAKING OF FIXED ASSETS

iv. **PARA-169**
SUSPECTED MISAPPROPRIATION OF RS.333.340 MILLION DUE TO SHORTAGE OF STORE OIL AND GAS DEVELOPMENT COMPANY LIMITED

v. **PARA-171 (WORKING RESULTS)**

vi. **PARA-173**
IRREGULAR AND EXTRA EXPENDITURE OF RS.2,919.046 MILLION

vii. **PARA-174**

viii. **WRITTEN OFF EXPENDITURE RS.2,135,759 MILLION**

ix. **PARA-175**

i **PHYSICAL STOCK TAKING OF STORES AND SPARES**

ii **INVENTORY WRITTEN OFF WORTH RS.114.816 MILLION**

- x. PARA-177
 - i ADVANCES TO SUPPLIES AND CONTRACTORS
 - ii DOUBTFUL RECOVERY OF ADVANCES-RS.124.419 MILLION
- xi. PARA-178
CASH AND BANK BALANCES
NON-CHARGING OF LATE PAYMENT SURCHARGE RS.237.716
MILLION TO UPL
- xii. PARA-180
TRADE RECEIVABLES FROM M/S UCH POWER LIMITED (UPL)
 - i OVERDUE RECOVABLES RS.3.325.383 MILLION
 - ii NON-CHARGING OF LATE PAYMENT SURCHARGE
RS.237.716 MILLION TO UPL
 - iii NON-RECOVERY OF GOVT. LEVIES AMOUNTING TO
RS.518.895 MILLION M/S UPL
- xiii. PARA-181
IRREGULAR AWARD OF CONTRACT AND NON RECOVERY OF
MOBILIZATION ADVANCE OF RS.492.316 MILLION
- xiv. PARA-182
NON RECOVERY OF RS65.165 MILLION FROM M/S HYCORBEX INC
USA
- xv. PARA-183
LOSS OF RS.51540 MILLION DUE TO LACK OF SAFETY AND
SECURITY MEASURES AT AN OIL FIELD IN SINDH
- xvi. PARA-184
PROCUREMENT OF DEFECTIVE MATERIAL VALUED AT US \$
1.404 MILLION AGAINST 100% ADVANCE PAYMENT
- xvii. PARA-185
NON RECOVERY OF ADVANCES AMOUNTING TO RS.8.585
MILLION FROM THE EMPLOYEES SINCE, 1995
- xviii. PARA-188
LOSS OF RS.3.260 MILLION DUE TO PAYMENT OF DEMURRAGE
CHARGES ON CLEARANCE OF GAS DEHYDRATION PLANTS
- xix. PARA-189
IRREGULAR EMPENDITURE OF RS.1.511 MILLION DUE TO
UNLAWFUL APPOINTMENT AND GRANT OF UNDER BENEIFTS TO A
DEPUTY CHIEF SECURITY OFFICER

- xx. PARA-192
LOSS OF RS. 1.368 MILLION DUE TO NON RECOVERY OF HOUSE BUILDING LOAN FROM EX-OFFICERS
- xxi. PARA-193
LOSS OF RS.1.249 MILLION DUE TO SHORT RECEIPT OF IMPORTED ITEMS
- xxii. PARA-194
LOSS OF RS.1.009 MILLION ON ACCOUNT OF UNNECESSARY PURCHASE/SALE OF HOUSE AT LAHORE
- xxiii. PARA-195
OVERPAYMENT OF EMOLUMENTS AMOUNTING TO RS.302,400 DUE TO IRREGULAR PROMOTION OF A PROTOCOL ASSISTANT
- xxiv. PARA-197
RECOVERABLE AMOUNT OF RS.128,304 FROM AN EX-MNA DUE TO MISUSE OF VEHICLE
- xxv. PARA-199
IRREGULAR PROVISION OF FOUR VEHICLES TO THE MINISTER AND HIS STAFF AND NON-PRODUCTION OF RECORD
- SUI NORTHERN GAS PIPELINES LTD
- xxvi. PARA-200
The sale of gas increased 37.46% but in quantitative terms increased by 8.36% due to upward revision in gas sale rates whereas the Company showed profit after tax of Rs.1, 336.569 million which was higher than the previous year by 153.74%.
- xxvii. PARA-202
NON-RECOVERY OF FURNITURE AND FIXTURE OF RS.71.132 MILLION HELD BY SUI JOINT SERVICES COMPLEX POOL.
- xxviii. PARA-203
i. NON-RECOVERY OF HOUSE BUILDING AND CAR LOANS AMOUNTING TO RS.2.179 MILLION.
ii. OUTSTANDING AGAINST EX-EXECUTIVES OF THE COMPANY AND RECOVERABLE AMOUNT OF RS .1.166 MILLION AND RS.1.107 MILLION FROM AREA OFFICE EMPLOYEES ON ACCOUNT OF PRIVATE USE IN EXCESS OF ENTITLEMENT.

- xxix. PARA- 204, AR-2000-01
STOCK OF STORES AND SPARES INCREASED FROM RS.608.873 MILLION AT THE END OF PREVIOUS YEAR TO RS.688.583 MILLION AT THE END THE YEAR AND SPARES WORTH RS.175.854 MILLION WERE SLOW MOVING AND NON-MOVING WHEREAS WORTH RS.2,909.326 MILLION WERE SHOWN UNDER THE HEAD CAPITAL WORK IN PROGRESS.
- xxx. PARA- 205, AR-2000-01
LOSS OF RS.29.760 MILLION AS SNGPL HAS NO PLANS TO COMPLETE THE 11 PROJECTS IN NEAR FUTURE WHICH WERE UNDER TAKEN BY THE COMPANY FOR LAYING OF DISTRIBUTION NET WORK FOR SUPPLY OF GAS UNDER POLITICAL INFLUENCE.
- xxxii. PARA- 206, AR-2000-01
LOSS OF RS.414.003 MILLION DUE TO ABNORMAL GAS LOSSES IN DISTRIBUTION NETWORK OF MULTAN AREA.
- xxxiii. PARA- 209, AR-2000-01
i. FINANCIAL LOSS OF RS.11.021 MILLION DUE STO DELAY IN TRANSFER OF
ii. GAS BILL COLLECTION AMOUNTS TO SNGPL MAIN ACCOUNT.
- xxxiv. PARA- 210, AR-2000-01
OVERPAYMENT OF US\$290,800 DUE TO ACCEPTANCE OF ENHANCED RATES OF THE SUPPLIER.
- xxxv. PARA- 212, AR-2000-01
LOSS OF RS.7.120 MILLION ON ACCOUNT OF DAMAGE OF GAS TURBINE COMPRESSION SETS DUE TO TRANSIT MISHANDLING.
- xxxvi. PARA- 215, AR-2000-01
FINANCIAL LOSS OF RS.5.616 MILLION DUE TO INORDINATE DELAY IN THE CREDIT OF DEMAND DRAFTS OF SNGPL ACCOUNT.
- xxxvii. PARA- 219, AR-2000-01
LOSS DUE TO THEFT OF REDUCING TEES WORTH RS.0.469 MILLION.
- PAKISTAN MINERAL DEVELOPMENT CORPORATION (PVT) LIMITED
xxxviii. PARA- 221, AR-2000-01
WORKING RESULTS OF THE CORPORATION FOR THE YEAR 2000-01 AS COMPARED WITH THOSE OF THE PREVIOUS YEARS.

- xxxviii. PARA- 222, AR-2000-01
WORKING RESULTS OF THESE COMPANIES NEED TO BE IMPROVED BY INCREASING THE PRODUCTION AND CURTAILING THE EXPENSES SO AS TO MAKE THEM VIABLE UNITS.
- xxxix. PARA- 223, AR-2000-01
NON-RECOVERY OF RS.12.590 MILLION FROM THE RAISING CONTRACTORS
- xl. PARA- 224, AR-2000-01
LOSS OF RS.0.329 MILLION DUE TO SHORT DELIVERY OF SALT.
- xli. PARA- 225, AR-2000-01
IRREGULAR PAYMENT OF RS.304,000 ON ACCOUNT OF REST & RECREATION ALLOWANCE.
- xlii. PARA- 226, AR-2000-01
LOSS OF RS.0.300 MILLION DUE TO NON-REFUND OF ADVANCE BY M/S NETCOM.
- xliii. PARA- 227, AR-2000-01
NON-COLLECTION/RECOVERY OF PROFESSIONAL TAX RS.0.240 MILLION FROM CONTRACTORS.

PAC may like to consider the recommendations of DAC.

PAC DIRECITVE

The Committee settled the above paras on the recommendation of the Audit.

AUDIT REPORT FOR THE YEAR,1999-2000 (ACTIONABLE POINTS)
SUMMARY OF PARAS

13. i. PIRKOH GAS COMPANY LIMITED
PARA No. 188
NON-TRANSFERING OF FUNDS OF HUGE AMOUNT OF RS.653.466 MILLION IN PROFIT EARNING ACCOUNTS AT THE CLOSE OF THE YEAR.
- ii. OIL AND GAS DEVELOPMENT COMPANY LIMITED (OGDCL)
PARA No. 192
PROVISION OF DOUBTFUL DEBTS AND NON-RECOVERY OF RS.172.970 MILLION

- iii. PARA No. 193
RECEIVABLES OF RS.3,939.149 MILLION AS AGAINST RS.2,536.289 MILLION NEED EARLY RECOVERY TO AVOID LOSS OF THIS AMOUNT.
- iv. PARA No.195
NON-TRANSPARENT/IRREGULAR DEAL OF US \$ 2.236 MILLION SIGNED WITH M/S COOPER AND LYBRAND, USA.
- v. PARA No.200
UNDUE FAVOUR OF RS.5.463 MILLION DUE TO NON-ENCASHMENT OF BANK GUARRANTEE IN THE EVENT OF DEFAULT BY THE SUPPLIER FIRM
- vi. PARA No.201
NON-RECOVERY ON ACCOUNT OF RENTAL SERVICES OF AIR CRAFT AMOUNTING TO RS.1.878 MILLION.
- vii. PARA No.3.5, 3.5.1
CURRENT ASSETS OF THE COMPANY INCREASED FROM RS.11,402.45 MILLION IN 1995 TO RS.24,132.72 MILLION IN 1999.
- viii. PARA No.3.5.3
ADVANCES TO SUPPLIERS AND CONTRACTORS INCREASED FROM RS.584.15 MILLION IN 1995 TO RS.985,43 MILLION IN 1999.
- ix. PARA NO.209
MARK UP TO THE TUNE OF RS 88.275 MILLION IS YET TO BE PAID BY THE MANAGEMENT ON LOANS TAKEN FOR PMDC AND PIDC.
- x. PARA NO.215
EFFORTS REQUIRED TO CONTROL THE INCREASING TREND OF THE TRADE DEBTS AS INCREASED BY 20.57% ON 30-6-1999 AS COMPARED TO THE YEAR, 1997-98.

PAC DIRECITVE

The Committee settled the above paras.

AUDIT REPORT FOR THE YEAR,1996-97 (ACTIONABLE POINTS) SUMMARY OF PARAS

- 14. i. GEMSTONE CORPORATION OF PAKISTAN LIMITED
PARA 5
PROCESS OF LIQUIDATION OF ADVANCE FUNDS FOR WINDING UP THE COMPANY.

- ii. PARA 6
REASON FOR NON-SELLING OF THE STOCK INVENTORY OF GEMSTONE AND JEWELLARY
- iii. PARA 7
LOSS OF COMPANY AMOUNTING TO RS.194,984 MILLION
- iv. PARA 8
NON-RECOVERY OF AMOUNT OF RS.792,000/- FROM THE SAID FIRM TO AVOID LOSS
- v. PARA 9
NON-RECOVERY OF AMOUNT OF RS.174,636/- FROM THE SAID FIRM TO AVOID LOSS
- vi. PARA 10
RECONCILIATION OF AMOUNT OF RS.3.478 MILLION WITH PMDC
- vii. PARA 11
PENDING COURT DECISIONS TO THE CASES OF EMPLOYEES REGARDING DUES OF AMOUNT OF RS.1.360 MILLION OF SWAT EMERALD MINES IN THE ACCOUNTS.
- viii. PARA 12
NON-CONFIRMATION OF KHYBER BANK OF RS.767, 972 AND BANK OF THE PUNJAB OF RS.7,817.094
- ix. PARA 13
REASONS FOR NOT SHOWING THE AMOUNT OF RS.1MILLION IN THE EQUITY OF FEDERAL GOVERNMENT

OIL AND GAS DEVELOPMENT CORPORATION
- x. PARA 14
EFFORTS BE MADE TO INCREASE THE SALES AND CONTROL OF EXPENSES
- xi. PARA 15
UNDER REVIEW AMOUNT OF RS.279.000 MILLION PROVIDED IN THE ACCOUNTS FOR THE YEAR, 1997
- xii. PARA 16
NON-RECOVERY OF DOUBTFUL DEBTS OF RS.1.822 MILLION
- xiii. PARA 17
NON-RECOVERY OF DOUBTFUL DEBTS OF RS.17.323 MILLION

- xiv. PARA 18
INCREASING TREND OF INVENTORY OF STORES FROM RS.5,966.300 MILLION TO 6277.690 MILLION.
- xv. PARA 19
DECREASE IN THE SALE OF PRODUCTS OF THE CORPORATION
- xvi. PARA 20
EFFORTS TO COMPLETE THE CAPITAL WORK STOOD AT RS.8,526.835 MILLION INCLUDED AN AMOUNT OF RS.7334.726 MILLION FOR UCH PROJECT
- SUI NORTHERN GAS PIPELINES LIMITED
- xvii. PARA 33
INCREASING DEBTS OF THE COMPANY YEAR BY YEAR.
- xviii. PARA 42
EXTRA EXPENDITURE OF RS.19.122 MILLION DUE TO BAD PLANNING

PAC DIRECITVE

The Committee settled the above 18 paras on recommendation of the Audit.

HYDROCARBON DEVELOPMENT INSTITUTE OF PAKISTAN (HDIP)
AUDIT REPORT 2006-07

- 15. i. PARA # 19.2
UN-AUTHORISED EXPENDITURE INCURRED ON PURCHASE OF ADDITIONAL VEHICLES WITHOUT APPROVAL OF THE COMPETENT AUTHORITY- RS.15.094 MILLION
- ii. AUDIT REPORT FINANCIAL YEAR 2000-01
PARA # 7.1
IRREGULAR EXPENDITURE INCURRED FROM GOVERNMENT REVENUES - RS.51.245 MILLION
- iii. PARA # 7.16
IRREGULAR PAYMENT OF CONTINGENT ADVANCES-RS.1.120 MILLION

- iv. PARA # 8.5
RECOVERY DUE TO NON-DEDUCTION OF INCOME TAX FROM
LANDLORD - RS.0.063 MILLION

- v. PARA # 9.3
NON-PRODUCTION OF RECORD IN RESPECT OF INCOME
RECEIVED FROM C.N.G. STATION - RS.18.317 MILLION

- vi. PARA # 9.5
NON-PRODUCTION OF RECORD ON ACCOUNT OF
TRANSPORTATION CHARGES - RS.0.959 MILLION

PAC DIRECITVE

The Committee settled the above paras on the recommendation the Audit.

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PLANNING AND DEVELOPMENT DIVISION

ACTIONABLE POINTS – 6TH SEPTEMBER 2012

APPROPRIATION ACCOUNTS FOR THE YEAR 1999-2000

1. GRANT NO.138-DEVELOPMENT EXP. OF PLANNING & DEVELOPMENT DIVISION (SAVING OF RS. 354,725,765/-)

The AGPR pointed out that the Grant was initially discussed by the Ad-hoc PAC on 7th June and 5th July, 2002. The APAC, taking serious notice of the huge saving, termed it contrary to proper budgeting and directed the PAO to analyze the factors which led to huge saving and report the Committee/Audit within 02 weeks. The AGPR further held that the report of the DAC had not been provided to them by the Division.

The PAO replied that the saving was surrendered within time.

PAC DIRECTIVE

The Committee directed the PAO to hold another DAC meeting on the issue, get it settled with AGPR and submit report within one month.

AUDIT REPORT PUBLIC SECTOR ENTERPRISES (1999-2000)

2. NATIONAL LOGISTIC CELL (PARA NO.235, PAGES 164-165-ARPSE-1999-2000)

Audit pointed out that the Para was initially discussed by the Ad-hoc PAC on 7th June and 5th July, 2002. The Committee after detailed briefing by the DG/NLC, appreciated the performance of the Cell, however, directed the PAO to examine the possibility of giving autonomous status to NLC with a separate charter.

Moreover, in view of investment made by the Government in the organization, the NLC should negotiate with the Government on terms regarding sharing of its profit. Audit should conduct Performance Audit of the NLC. All the documents, as and when required by Audit, should be provided to it.

The department replied that the PAC's directives were duly complied with. The DAC in its meeting held on 25-11-2009 reviewed the same. Following the recommendation of DAC on legal status of NLC, draft Ordinance for converting NLC into Corporation was forwarded to Audit and Planning & Development Division, but, their response was still awaited. Similarly, the issue regarding investment of GoP in the NLC was discussed in the NLC Board meeting held on

31st December, 2007, wherein it was decided that GoP's loan shall be converted into GoP's equity on corporation of NLC in line with the directions of the Prime Minister. Moreover, both the issues were again discussed in another DAC meeting held on 29-02-2012 and the DAC recommended for settlement of the Para.

PAC DIRECTIVE

The Committee directed the PAO to hold another DAC meeting, get all the issues settled with concerned quarters and submit report to Audit/PAC within one month.

3.
 - i. **NATIONAL LOGISTIC CELL**
(PARA NO.236, PAGE 165-ARPSE-1999-2000)
 - ii. **(PARA NO.237, PAGE 165-ARPSE-1999-2000)**
 - iii. **(PARA NO.239, PAGE 165-ARPSE-1999-2000)**
 - iv. **(PARA NO.242, PAGES 165-166-ARPSE-1999-2000)**
 - v. **(PARA NO.243, PAGES 166-ARPSE-1999-2000)**

vi. **(PARA NO.244, PAGES 166-ARPSE-1999-2000)**

vii. **(PARA NO.245, PAGES 166-ARPSE-1999-2000)**

PAC DIRECTIVE

The Committee settled the above paras

AUDIT REPORT PUBLIC SECTOR ENTERPRISE (2005-2006)

4. **NATIONAL LOGISTIC CELL**
UNAUTHORIZED EXPENDITURE ON PROCUREMENT OF VEHICLES –
RS.21.347 MILLION

(PARA NO.210, PAGE 353-ARPSE-2005-2006)

Audit pointed out that the above Para was initially discussed by the PAC on 17-02-2009. The Committee while expressing displeasure directed the PAO to get ex-post-facto approval of the expenditure from the Prime Minister of Pakistan and decided that the same will be treated as settled on verification by Audit.

The PAO replied that the matter was taken up with Finance Division seeking clarification as to whether austerity measures were applicable on self-financing organizations or not? In response, Finance Division had advised that case may be referred to Cabinet Division as the para was based on instructions issued by the Cabinet Division.

PAC DIRECTIVE

After detailed deliberations, the Committee directed the PAO to get ex-post-facto approval both from Cabinet and Finance Divisions respectively within 04 weeks and subsequently get it verified from Audit. The para will be considered as settled

on satisfaction of Audit. However, strict adherence to rules must be ensured and such negligence be avoided in future.

5. **(PARA NO.212, PAGE 355-ARPSE-2005-2006)**

CONTRACT APPOINTMENT OF CHIEF FINANCE OFFICER IN VIOLATION OF CHIEF EXECUTIVE'S POLICY GUIDELINES RESULTING IN IRREGULAR EXPENDITURE – 1.800 MILLION

Audit pointed out that the above Para was initially discussed by the PAC on 17-02-2009. The Committee directed the PAO to get the expenditure regularized. Moreover, the para was declared as settled on regularization of the expenditure and its verification by Audit.

The PAO apprised that in compliance of the PAC directive, the DAC in its meeting held on 30-08-2012, decided that the expenditure may be got regularized from the NLC Board. Therefore, the management was planning to take up the matter to the NLB as Secretaries Ministries of Finance, Defence and Planning & Development, Communications, Food, Agriculture & Livestock are in the Board. Moreover, the Finance Minister chairs the NLB.

The representative of NAB informed the Committee that the case was also under investigation by NAB.

PAC DIRECTIVE

The Committee pended the para with direction to NAB for early finalization of their investigation under report to Audit/PAC.

6. **(PARA NO.214, PAGE 357-ARPSE-2005-2006)**

LOSS DUE TO INVESTMENT IN STOCK EXCHANGE IN VIOLATION OF CHAIRMAN'S INSTRUCTIONS – 5.387 MILLION

Audit pointed out that the above Para had been discussed by the PAC several times, however, during its last meeting held on 17-12-2010, the Chairman PAC

observed that the Chief of Army Staff (COAS) had initiated an inquiry into the issue. Thus, he held that the said inquiry should also take into account the reports of Planning & Development Division, the Consultant's report and the Special Audit Report while conducting the inquiry and the outcome be shared with the PAC. He also pointed out that the PAC was not targeting the Stock Exchange fiasco but also other irregularities, lack of transparency and failure in observing rules and regulations committed by the NLC. Moreover, it was also emphasized that those responsible must be categorized on account of their deeds and not their profession.

The PAO informed the PAC that the inquiry constituted by the COAS has finalized its report. Three retired Generals namely Lt. Gen. Afzal Muzaffar, Lt. Gen. Khalid Munir Khan and Maj.Gen. Tahir Akhtar have been recalled, taken on strength and subjected to thorough process of investigation, whereas, two civilians namely Mr. Saeed-ur-Rehman, the then CFO and Mr. Najeebullah, the then DFA, will be trialed by the NAB.

PAC DIRECTIVE

The Committee directed the PAO that outcome of both the court of inquiry and NAB should be reported to the PAC/Audit on fortnightly basis.

AUDIT REPORT PUBLIC SECTOR ENTERPRISE S (2008-2009)

NATIONAL LOGISTIC CELL

7. IRREGULAR AWARD OF CONTRACTS WITHOUT OPEN TENDERS – RS. 168.511 MILLION

(PARA NO.201, PAGE 301-ARPSE-2008-2009)

Audit pointed out that the above Para was initially discussed by the PAC on 14-06-2010 wherein the PAO was directed to implement the DAC's recommendation of 22nd July, 2009, regarding regularization of the expenditure from the

competent authority as well as to comply with the PPRA rules and a report in that regard should be submitted to the Committee/Audit.

The PAO replied that in compliance of the PAC's directive, the matter was again reviewed by the DAC in its meeting held on 30-08-2012, wherein, it was decided to forward the case to PPRA for regularization of the expenditure.

PAC DIRECTIVE

The Committee directed the PAO to get the expenditure regularized within four weeks and submit report to Audit/PAC. Moreover, strict adherence of PPRA rules should be ensured in future. The management was, however directed to provide to Audit/PAC, a comprehensive report on criterion and procedure of subletting contracts by the NLC.

- 8..
- i) **UNAUTHORIZED GRANT OF LOAN TO JOINT VENTURE – RS. 75 MILLION (PARA NO.202, PAGES 301-302-ARPSE-2008-2009)**
 - ii) **WASTEFUL EXPENDITURE ON FEASIBILITY STUDY– RS. 32 MILLION (PARA NO.205, PAGES 305-ARPSE-2008-2009)**
 - iii) **LOSS ON ACCOUNT OF INVESTMENT IN ESTABLISHMENT OF ENERGY DEVELOPMENT SERVICES COMPANY (PVT) LTD – RS.19.738 MILLION (PARA NO.206, PAGES 306-ARPSE-2008-2009)**
 - iv) **PAYMENT OF PENALTY DUE TO DELAY IN COMPLETION OF PROJECT – RS.10.118 MILLION (PARA NO.207, PAGES 307-ARPSE-2008-2009)**

Audit pointed out that the above paras had been discussed by the PAC in a couple of meetings. During the last PAC meeting held on 02-11-2010, the PAO was directed to submit inquiry report to the PAC Secretariat within two weeks, redouble efforts for further recoveries, hold monthly meetings of the DAC and have an operational audit of all joint ventures undertaken by the NLC.

The PAO replied that in compliance of the PAC's directive, DACs were held regularly. The issues were of serious negligence. Since inquiries into the matters have been finalized, thus, actions against those involved will be taken accordingly.

The representative from NAB informed the Committee that all the above-said paras were under investigation by NAB.

PAC DIRECTIVE

The Committee pended the above-mentioned four paras. However, the representative from NAB was directed for early completion of further course of actions at their end with report to Audit/PAC.

9. **(PARA NO.203, PAGES 302-303-ARPSE-2008-2009)**
OVERPAYMENT TO SUB-CONTRACTORS DUE TO MISMANAGEMENT –
RS. 44.098 MILLION

Audit pointed out that the above Para had been discussed by the PAC in a couple of meetings. During the last PAC meeting held on 02-11-2010, the PAO was directed to examine the inquiry report submitted by the inquiry officer in this case and submit report along-with his comments to the PAC Secretariat in two weeks' time.

The PAO replied that in compliance of the PAC's directive, the requisite report along-with comments had been made available to the PAC Secretariat on 28-07-2012. He also held that it was a contractual fault. However, FIR had been registered against the person (s) found at fault.

PAC DIRECTIVE

The Committee pended the para till re-imburement of overpayment from the contractor and its verification by Audit.

10. **(PARA NO.204, PAGE 304-ARPSE-2008-2009)**
LOSS ON ACCOUNT OF REJECTED CLAIMS – RS. 40.843 MILLION

Audit pointed out that the above Para was discussed by the PAC in its meeting held on 14-06-2010 wherein the Ministry was directed to implement the DAC's recommendation of 6th May, 2010, and to submit report to Audit/PAC.

The PAO replied that in compliance of PAC's directive, a couple of DAC meetings were held. The scope of work was reduced to Rs.339.06 million up-till now. Claim of Rs.329.92 million against Rs.339.06 million had been vetted and the project was in maintenance phase. During the last DAC meeting held on 30-08-2012, the para was recommended for settlement subject to provision of detailed record for verification by Audit.

PAC DIRECTIVE

The Committee pended the para, however, directed the PAO to provide all the relevant record regarding extension in completion period along-with settlement of amount with the client, by the NLC, to Audit for verification with in one month under report to the PAC.

11. **(PARA NO.208, PAGE 308-ARPSE-2008-2009)**
UNAUTHORIZED ALLOCATION OF VEHICLES – RS. 9.926 MILLION

Audit pointed out that the above Para had been discussed by the PAC in a couple of meetings. During the last PAC meeting held on 02-11-2010, the PAO was directed to submit a list of vehicles giving details of their allocation to officers by name. A complete confirmation of import of vehicles without duties and taxes may be included in the report.

The PAO replied that the vehicles in question were purchased for Education and Health Sector Reforms Project and the same were still with the NLC. There was

no issue of income tax rather custom duty worth 100 million on account of purchase of the said vehicles which they were planning to pay in near future.

PAC DIRECTIVE

The Committee directed the PAO to pay custom duty in four installments, get it verified from Audit and submit report to the PAC. However, the portion regarding purchase of vehicles was clubbed with the Audit paras under investigation by NAB.

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MINISTRY OF PORTS AND SHIPPING

ACTIONABLE POINTS - 26th SEPTEMBER, 2012,

1.
 - i. **GRANT NO.21 (AR-1996-97) DEPARTMENT OF SHIPPING CONTROL AND MERCANTILE MARINE.**
 - ii. **GRANT NO.22 (AR-1996-97) LIGHTHOUSES AND LIGHTSHIPS**
 - iii. **GRANT NO.182 (AR-1996-97) CAPITAL OUTLAY ON PORTS AND SHIPPING**

PAC DIRECTIVE

The Committee regularized the above three Grants.

AUDIT REPORT - 2008-09 PUBLIC SECTOR INTERPRISES

2. **PARA NO.212 ITEM-02 (ARPSE-2008-09)**
LOSS DUE TO EXPENDITURE ON VOYAGE EXCEEDING THAN INCOME-RS.35.512 MILLION.

The PAC in its meeting held on 10-06-2010 took a very serious view of loss occurred in the Corporation and directed the PAO to investigate the real causes for which the Corporation sustained a huge loss on the voyage. The PAC further directed the PAO to discuss the para again at DAC level to find the way to recover the balance amount and report thereof be placed before PAC within two months.

The PAO informed the Committee that it is too difficult to recover the amount. Action was required to be taken at that time.

Audit pointed out that M/o Ports & Shipping should take a strong stance and recover the amount of Rs.7.050 million from National Refinery Limited.

PAC DIRECTIVE

The PAC directed to settle the para subject to verification by the Audit otherwise it will be referred back to DAC.

PORT QASIM AUTHORITY

3. **PARA NO.213 ITEM-03 (ARPSE-2008-09)**

The Committee in its meeting held on 10-06-2010 directed the PAO to finalize the accounts (up-to date) and discuss the para thoroughly again at DAC level to fix the responsibility with a report to PAC. The PAC pended the para.

The PAO informed the Committee that three months are required to audit the accounts.

PAC DIRECTIVE

The Committee directed the PAO to resolve the subject matter within three month, subject to verification by the Audit otherwise it will be referred back to DAC.

4. **PARA NO.214 ITEM-04 (ARPSE-2008-09)**
LOSS DUE TO IRREGULAR APPOINTMENTS OF A CONSULTANT FOR REVISION OF PQA ACT 1973 RS.1.550 MILLION.

The PAC in its meeting held on 10-06-2010 raised the following observations:-

- Fix responsibility against whoever violated the Establishment Rules in appointing Barrister Shahida Jamil without advertisement;
- Why the Board powers were enhanced to appoint her contrary to rules;
- Why undue favour was given to the consultant and 50% advance payment was made?

The PAC directed the PAO to conduct inquiry, fix responsibility and report to PAC within 15 days. The PAC further directed to ensure recovery from the consultant as early as possible.

Ministry replied on 18-07-2012 that case was assigned to Mr. Umar Haayat Sandhu, Advocate who has filed a Suit No.1540/2010. The case was last fixed on 12.12.2011. PQA filed the written statement to counter claim.

The PAO apprised the Committee on 26-09-2012 that she has submitted counter case and its hearing was 20-08-2012.

PAC DIRECTIVE

The Committee directed the PAO to resolve the subject matter by contacting all the concerned including Attorney General of Pakistan and Sindh Bar Council; and fix responsibility and report to PAC within 15 days.

5. **PARA NO.215 ITEM-09 (ARPSE-2008-09)**
NON-RECOVERY OF DECREED AMOUNT – RS.1.118 MILLION

The management, in accordance with last DAC's recommendations dated 25-07-2012, informed the Committee that final argument was completed in the last hearing on 23-05-2012. Matter is subjudice and progress will be watched at DAC level.

The PAO assured the Committee to take up the matter vigorously.

PAC DIRECTIVE

The PAC directed the PAO to verify the amount, in case of payment made by PQA otherwise the Para be pended.

6. **PARA NO.216 ITEM-02 (ARPSE-2008-09)**
LOSS DUE TO ALLOTMENT OF INDUSTRIAL/COMMERCIAL PLOTS TO
MANAGEMENT AND THEIR FAMILIES' MEMBERS-RS.190.389 MILLION.

PAC DIRECTIVE

The PAC settled the para on the recommendation of the DAC/Audit.

ACTIONABLE POINTS FOR THE YEARS 2005-06 OF AUDIT REPORT PUBLIC
SECTOR INTERPRISES

7. **PARA NO.218 ITEM-07 (ARPSE-2005-06)**
NON-RECOVERY OF SHORT DELIVERY OF 2,020.94 M. TON LIGHT CRUDE
OIL BY CHARTERED TANDER-RS.22.98 MILLION.

The PAC in its directive dated 20-04-2011 directed the PAO to make all possible efforts for pursuing the case in the Court of Law.

PAC DIRECTIVE

The PAC directed the PAO to pursue the case and report to Committee/Audit.

PORT QASIM AUTHORITY

8. i. **PARA NO.225.1 ITEM-11, 3VII & 5 (ARPSE-2005-06) -AUDIT**
COMMENTS
- ii.. **PARA NO.225.4 ITEM-11, 3VIII 6 & 16 (ARPSE-2005-06)- AUDIT**
COMMENTS

PAC DIRECTIVE

The Committee directed the PAO to pursue the case in the court of law.

9. **PARA NO.228. (ARPSE-2005-06)-COURT CASE
LOSS DUE TO INCOMPLETE REPAIR/MAINTENANCE WORK OF FLOATING
SERVICE JETTY – RS.13.61 MILLION.**

The PAC in its directive dated 06-04-2009 directed the PAO to pursue the case in the court of law with the help of concerned Law Officer.

The PAO informed the Committee that it was not decided in the Court of Law and case was transferred to arbitration and hearing was 2.6.2012. Hence, Ministry conducted inquiry conducted and responsibility was fixed.

PAC DIRECTIVE

The Committee directed the PAO to finalize the subject matter and fix responsibility within one week otherwise PAO will be held responsible. The PAC also directed to expedite the arbitration court case and report to the Committee/Audit.

AUDIT REPORT PUBLIC SECTOR ENTERPRISES 2005-06

10. **PARA NO. 46 NON-SUBMISSION OF ACCOUNTS**
- i **PARA NO.226 LOSS DUE TO COST OVER RUN ON ACCOUNT OF
DELAY IN AWARD OF WORK ON REFURBISHMENT OF IRON ORE
AND COAL BERTH –RS. 602.90 MILLION.**
 - ii **PARA NO. 94 AUDIT COMMENTS**
 - iii **PARA NO. 95 BLOCKAGE OF PUBLIC FUNDS DUE TO NON-
UTILIZATION OF SURVEILLANCE BOAT- RS 7.05 MILLION**
 - iv. **PARA NO. 96 UNJUSTIFIED EXPENDITURE ON AWARD OF
CONTRACTS WITHOUT PRESS TENDERS –RS. 2.92 MILLION**
 - v. **PARA NO. 96.1 UNJUSTIFIED EXPENDITURE ON PROVIDING
TRANSPORT FACILITY TO THE EMPLOYEES WITHOUT PRESS
TENDERS- RS. 1.89 MILLION**
 - vi. **PARA NO. 96.2 AWARD OF CONTRACT WITHOUT CALLING PRESS
TENDERS – RS. 1.03 MILLION**

PAC DIRECTIVE

The Committee settled the above paras

**ACTIONABLE POINTS FOR THE YEARS 1999-2000 OF AUDIT REPORT
PUBLIC SECTOR INTERPRISES (VOL-1)**

11. **PARA NO.67 ITEM-07(V)**
**LOSS OF RS.335.829 MILLION DUE TO NON-RECOVERY OF
STORAGE/DEMURRAGE CHARGES ON LIFTING OF SOYABEANS.**

The PAO informed the Committee that MINFAL has adjusted the amount and Rs.67 million rests to be paid which have to be adjusted by Secretary, Finance Division and Economic Affairs Division. Ministry of Food and Agriculture has devolved and new Ministry of Food, Security & Research has been established.

PAC DIRECTIVE

The PAC directed the PAO to resolve the issue within 15 days in consultation with Finance Division, Economic Affairs Division and M/o National Food Security & Research. The Committee pended this para till its next meeting on the Ministry.

12. **PARA NO.70 ITEM-09**
**LOSS OF 3.244 MILLION DUE TO NON-RECOVERY OF
STORAGE/DEMURRAGE CHARGES.**

The Departmental Accounts Committee in its meeting dated 25-07-2012 directed the management to take up the case with Finance Division and M/o Inter Provincial Coordination to recover the dues. However, the Committee pended this para till its next meeting on the Ministry.

Audit pointed out that following directives were not compiled:-

Take actions against the persons responsible for not lifting the imported wheat.
Clearing the storage demurrage charges in time;

Effect recovery of demurrage charges from MINFAL was not complied with.

The PAO informed the Committee that FBR is involved in the issues. M/o National Food Security has reported to carry out the imported wheat and demurrage imposed.

PAC DIRECTIVE

The PAC directed the PAO to resolve the issue within 15 days in consultation with Finance Division, Economic Affairs Division and M/o National Food Security & Research. The Committee pended this para till its next meeting on the Ministry.

13. i. **PARA NO.68 ITEM-8 (ARPSE-1999-2000-VOL-I)-COURT CASE
BLOCKADE OF CAPITAL OF RS.50.119 MILLION DUE TO NON-
FUNCTIONING OF WATER BOOSTING STATION.**
- ACTIONABLE POINTS FOR THE YEARS 2000-01 OF AUDIT REPORT
PUBLICSECTOR INTERPRISES**
- ii. **PARA NO.59 ITEM-6, 16 (ARPSE-2000-01-VOL-I)-COURT CASE
BLOCKADE OF CAPITAL OF RS.699.659 MILLION DUE TO NON-
COMMISSIONING OF BULK WATER SUPPLY SCHEME**
- iii. **PARA NO.62 ITEM-3 (ARPSE-2000-01-VOL-I)-FIA CASE
IRREGULAR INVESTMENT RESULTING IN LOSS OF RS.135 MILLION.**
- iv. **PARA NO.64 ITEM-6 (ARPSE-2000-01-VOL-I)-COURT CASE
NON-RECOVERY OF RS.20,000 MILLION FROM THE SHIPPING AGE**

PAC DIRECTIVE

The PAC directed the PAO to pursue the case in the court of law.

MINISTRY OF POSTAL SERVICES

ACTIONABLE POINTS - 11TH JULY, 2012.

1. The Committee Members asked the PAO about the implementation status of PAC directives of specified five (5) years. The PAO showed his ignorance about the exact status. He also could not inform about the meeting of DAC held on the issue of implementation of the PAC directives.

PAC DIRECTIVE

The Committee took a serious view of improper administration of the Ministry and warned the PAO for not giving due importance to PAC Directives for holding DACs every month to clear the backlog. The PAC also directed the PAO as follows: to ensure compliance of the agenda and make-up all deficiencies in coordination with the Audit and DS (PAC-Imp) within ten days; to hold DAC on monthly basis; and the Ministry should take effective steps to clear the pended audit paras be properly utilized to clear the backlog.

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PRESIDENT'S SECRETARIAT

ACTIONABLE POINTS - 23RD OCTOBER, 2012

PRESIDENT'S SECRETARIAT (PERSONAL)

AUDIT REPORT 2005-06 (FY 2004-05)

1. **PARA-30.1(PAGE-157) AR 2005-06
NON-PRODUCTION OF RECORD RELATING TO REPAIR AND
MAINTENANCE OF A MERCEDES BENZ CAR-RS.8.700 MILLION**

PAC DIRECTIVE

The Committee directed the PAO to provide the relevant record including bills/vouchers, approval of repair of vehicle etc, to Audit for verification. On satisfaction of Audit, the para will be considered as settled.

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PRIME MINISTER'S SECRETARIAT

ACTIONABLE POINTS - 23RD OCTOBER, 2012

PRIME MINISTERS SECRETARIT (INTERNAL)

**1. AUDIT –REPORT 2005-06 FY 2004-05
PARA-31.1 (PAGE-158) AR 2005-06
SHORTFALL OF CASH-RS.3.966 MILLION**

Audit pointed out that the Prime Minister Secretariat (Internal) vide U.O.No.1(179)-Admn/2004 dated 26.11.2004 requested the Directorate General Audit (Federal Government) for arranging an inquiry regarding shortfall of cash amounting to Rs.3,210,493 which was thus, conducted and finalized. It was found that the short amount of cash was actually Rs.3, 966, 320 instead to Rs.3,210,493. The findings were submitted to Prime Minister Secretariat on 30-04-2005.

PAC DIRECTIVE

The Committee directed the department and audit to hold DAC on the issues raised before the PAC, fix the responsibility and suggest actions against the person's found at fault and submit report to PAC Secretariat within seven days.

PRIME MINISTER SECRETARIAT (PAKISTAN BAITUL MALL) AUDIT

REPORT PUBLIC SECTOR ENTERPRISE 2000-01

**2. PARA 337 PAGE-297 ARPSE-2000-01
WASTEFUL EXPENDITURE OF RS.531,903 ON HIRING OF CONSULTANTS**

Audit pointed out that the para was previously discussed by the PAC in its meeting held on 11-03-2004 the PAC expressed displeasure on the language of

the reply by the Ministry. The PAC also directed the department to obtain the required documents/record from Establishment Division regarding appointments and provide the same to the PAC Secretariat/Audit within 02 weeks. The compliance report is still awaited.

PAC DIRECTIVE

The Committee directed the PAO, audit and Establishment Division to jointly investigate the issue in the DAC and submit report to the PAC.

3. PARA-1 (PAGE-134 AR 1996-97) RECOVERY ON ACCOUNT OF MISUSE OF VEHICLES-RS.3,564 MILLION

Audit pointed out that the para was previously discuss in its meetings held on 14-06-2001 and 06-08-2002 respectively. The PAC minuets last meeting directed the PAO that issues of determination of status of Prime Minister's Secretariat/ other similar institutions of state and having separate Prime Minister's Staff Car Rules be taken to the Cabinet for final decision so that ambiguities/anomalies do not exist between such organizations and other government Divisions/Ministries.

The Department replied that view of special status and nature of duties in the Chief Executive Secretariat now Prime Minister's Secretariat (Public) formulation of special staff car rules for its employees are absolutely justifiable and the same have been validated by the Cabinet Division.

PAC DIRECTIVE

The Committee referred the para back to DAC and sought report within seven days

4. **PARA-4 (PAGE-135 AR 1996-97)**
IRREGULAR/DOUBTFUL PAYMENT-RS.18.063 MILLION

The PAC in its meeting held on 06-08-2002 directed that a representative from Cabinet Division apprised the Committee that record was available for Audit verification. The PAC directed Audit to verify the relevant record in above two cases within 30 days with a report to the Committee.

The Department replied that compliance is to be reported by the Cabinet Division.

PAC DIRECTIVE

The Committee directed that Audit and Cabinet Division should hold DAC meeting on the above said paras and get the issues resolved and submit report to the PAC within seven days. In case of settlement, these paras will be considered as settled.

5. **PARA-5 (PAGE-136 AR 1996-97)**
IRREGULAR PAYMENT TO MOTOR CAR DEALERS FOR YELLOW CAB CARS-RS.3.390 MILLION

PAC DIRECTIVE

The Committee directed that Audit and Cabinet Division should manage to hold DAC meeting on the above said paras get the issues resolved and submit report to the PAC within seven days. In case of settlement, these paras will be considered as settled.

MINISTRY OF PRODUCTION

ACTIONABLE POINTS - 1ST AUGUST, 2012.

1. AUDIT REPORT PUBLIC SECTOR ENTERPRISES FOR THE YEAR 1996-97

NAME OF ORGANIZATION	PARA
FEDERAL CHEMICAL AND CERAMICS COR. LTD	13-15
SINDH ENGINEERING PVT. LTD	64-65
PAKISTAN INDUSTRIAL DEVELOPMENT CORPORATION	73
BELA ENGINEERING PVT. LTD	77-78
PAKISTAN STEELS MILLS CORPORATION LTD	94 - 96, 99 -102, 108 - 109, 111 -114, 116 - 120, 122 -123, 126 -127
MUSTEHKEM CEMENT LTD	159

Audit informed that DAC of the above mentioned Organizations for the paras mentioned against each, has yet not been held. PAO requested for time to convene the DAC.

PAC DIRECTIVE

The Committee directed the PAO to hold DAC on these paras and report to PAC.

2. AUDIT REPORT FOR THE YEAR 1996-97, 199-2000, 2000-01, 2005-06 & 2008-09

NAME OF ORGANIZATION	YEAR	PARA
STATE ENGINEERING CORPORATION	1996-97	163
HEAVY ELECTRICAL COMPLEX PVT. LTD		169-170
GHEE CORPORATION OF PAKISTAN PVT LTD	1999-2000	256

BELA ENGINEERING PVT. LTD		319-324
HEAVY ELECTRICAL COMPLEX PVT LTD		299, 303
STATE ENGINEERING CORPORATION	2005-06	129.1, 129.2, 129.4, 130
HEAVY ELECTRICAL COMPLEX PVT LTD		132.3, 133.2, 148.2
STATE ENGINEERING CORPORATION PVT. LTD	2008-09	120.1
PAKISTAN MACHINE TOOL FACTORY		121.1, 121.3, 122
HEAVY MECHANICAL COMPLEX PVT. LTD		125.1, 126

PAC DIRECTIVE

The Committee directed the PAO to hold DAC on these paras and report to PAC within one month.

AUDIT REPORT PUBLIC SECTOR ENTERPRISES (VOL-1) **FOR THE YEAR 1999-2000**

FEDERAL CHEMICAL AND CERAMICS CORPORATION LIMITED

3. i. **PARA-191, PAGE-145 (ARPSE 1999-2000 VOL-1)**
PARA-192, PAGE-145 (ARPSE 1999-2000 VOL-1)
WORKING RESULTS OF FEDERAL CHEMICAL AND CERAMICS CORPORATION LIMITED
- ii. **PARA-193, PAGE-146 (ARPSE 1999-2000 VOL-1)**
DOUBTFUL EXPENDITURE OF RS 8.947 MILLION
- iii. **PARA-194, PAGE-146 (ARPSE 1999-2000 VOL-1)**
DOUBTFUL PROVISION OF RS 158.766 MILLION AGAINST LOANS,
INCLUDING RS 6.74 MILLION IVESTED IN STATE ENTERPRISES
DISPLAY CENTRE PRIVATE LTD

PAC DIRECTIVE

The Committee settled the above paras.

PAKISTAN AUTOMOBILE CORPORATION LIMITED

4. **PARA-198, PAGE-149 (ARPSE 1999-2000 VOL-1)**
WORKING RESULTS OF PAKISTAN AUTOMOBILE CORPORATION LTD

PAC DIRECTIVE

The Committee settled the para.

5. i. **REPUBLIC MOTORS (PVT.) LIMITED**
PARA-204, PAGE-153 (ARPSE 1999-2000 VOL-1)
LAW SUIT FOR RECOVERY OF RS 20.905 MILLION
- ii. **SINDH ENGINEERING (PVT.) LIMITED**
PARA-207, PAGE-154 (ARPSE 1999-2000 VOL-1)
DOUBTFUL DEBTS AMOUNTING TO RS 25.222 MILLION
- iii. **PARA-208, PAGE-154 (ARPSE 1999-2000 VOL-1)**
PROPERTY UNDER LITIGATION
- iv. **TDC VEHICLES ENGINEERING (PVT) LIMITED.**
PARA-219, PAGE-163 (ARPSE 1999-2000 VOL-1)
INCREASE IN CAPITAL WORK-IN- PROGRESS TO RS 280.215
MILLION DURING THE YEAR 1999-2000 AS AGAINST RS 257.153
MILLION IN 1998-99
- v. **ASSOCIATED CEMENT ROHRI**
PARA-241, PAGE-171 (ARPSE 1999-2000 VOL-1)
PROVISION OF RS 3.370 MILLION FOR BAD-DEBTS

PAC DIRECTIVE

The Committee pended the above paras being subjudice. The PAO was directed to make a list of all the court cases and forward it to PAC Secretariat through Audit.

6. **SINDH ENGINEERING (PVT.) LIMITED**
PARA-206, PAGE-154 (ARPSE 1999-2000 VOL-1)
DOUBTFUL DEBTS

PAC DIRECTIVE

The Committee directed the PAO to take up the issue with the FBR for settlement and report to Audit and PAC.

7. i. **TDC VEHICLES ENGINEERING (PVT) LIMITED.**
PARA-209, PAGE-156 (ARPSE 1999-2000 VOL-1)
WORKING RESULTS OF TDC VEHICLES ENGINEERING LIMITED
PIDC TALPUR TEXTILE MILLS LIMITED.
- ii. **PARA-212, PAGE-159 (ARPSE 1999-2000 VOL-1)**
WORKING RESULTS OF PIDC TALPUR TEXTILE MILLS LTD
PAKISTAN STEEL MILLS CORPORATION LTD

PAC DIRECTIVE

The Committee settled the above two paras.

8. i. **PAKISTAN STEEL MILLS CORPORATION LTD.**
PARA-221, PAGE-163 (ARPSE 1999-2000 VOL-1)
INCOMPLETE FINAL INSPECTION AND OTHER FORMALITIES
- ii. **PARA-224, PAGE-163 (ARPSE 1999-2000 VOL-1)**
SHORTAGE OF STOCK
- iii. **PARA-226, PAGE-165 (ARPSE 1999-2000 VOL-1)**
UNJUSTIFIED PAYMENT OF RS 154.137 MILLION ON ACCOUNT OF
COMMISSION AND DISCOUNT.
- iv. **PARA-227, PAGE-165 (ARPSE 1999-2000 VOL-1)**
IRREGULAR SPOT PURCHASES OF RS 3.592 MILLION IN
VIOLATION OF PROCUREMENT POLICY.

PAC DIRECTIVE

The Committee settled the above paras.

9. **PAKISTAN STEEL FABRICATING COMPANY (PVT) LTD**
PARA-228, PAGE- (ARPSE 1999-2000 VOL-1)
AUDIT COMMENTS

PAC DIRECTIVE

The Committee pended this para.

10. **PARA-230, PAGE-168 (ARPSE 1999-2000 VOL-1)**
INCREASE IN TRADE DEBTS

PAC DIRECTIVE

The Committee directed the PAO to make the necessary steps to recover the outstanding amount from the parties and report to Audit/ PAC within one month.

NOKKUNDI IRON ORE PROJECT

11. **PARA-231, PAGE-169 (ARPSE 1999-2000 VOL-1)3**
NON-MAINTENANCE OF ACCOUNTS

PAC DIRECTIVE

The Committee directed the PAO to follow up the case proactively.

12. i. **ASSOCIATED CEMENT ROHRI**
PARA-235&237, PAGE-170-171 (ARPSE 1999-2000 VOL-1)
WORKING RESULTS OF ASSOCIATED CEMENT ROHRI
- ii. **PARA-236, PAGE-170 (ARPSE 1999-2000 VOL-1)**
NON-PRODUCTION OF CLINKER
- iii. **PARA-238, PAGE-171 (ARPSE 1999-2000 VOL-1)**
SLOW- MOVING AND OBSOLETE ITEMS
- iv. **PARA-240, PAGE-171 (ARPSE 1999-2000 VOL-1)**
INCREASE IN INTEREST TO RS 25.327 MILLION AFTER CLOSURE
OF THE OPERATIONS OF THE COMPANY

PAC DIRECTIVE

The Committee settled the above paras.

13. i. JAVEDAN CEMENT LIMITED
PARA-242, PAGE-172 (ARPSE 1999-2000 VOL-1)
AUDIT COMMENTS
- ii. PARA-243, PAGE-172 (ARPSE 1999-2000 VOL-1)
WORKING RESULTS OF THE JAVEDAN CEMENT LTD
- iii. PARA-244, PAGE-173 (ARPSE 1999-2000 VOL-1)
OUTSTANDING TRADE DEBTS, ADVANCES AND OTHER
RECEIVABLES AMOUNTING TO RS 5.38 MILLION
- iv. PARA-247, PAGE-174 (ARPSE 1999-2000 VOL-1)
LOSS OF RS 3.109 MILLION DUE TO SALE OF CEMENT AT OLD
RATES
- v. PARA-248, PAGE-174 (ARPSE 1999-2000 VOL-1)
NON-REALIZATION OF COST OF BRICKS OF RS 2.648 MILLION AND
LOSS OF MARK-UP OF RS 1.192 MILLION

PAC DIRECTIVE

The Committee settled the above paras.

- DIR FOREST INDUSTRIES COMPLEX LTD. (PIDC)
14. PARA-308, PAGE-206 (ARPSE 1999-2000 VOL-1)
NON-COMPILATION OF ACCOUNTS

PAC DIRECTIVE

The Committee settled the para.

AUDIT REPORT PUBLIC SECTOR ENTERPRISES (VOL-1)
FOR THE YEAR 2000-2001

- FEDERAL CHEMICAL AND CERAMICS CORPORATION LIMITED
15. i. PARA-5(XVII AND XVIII) PAGE-10 (ARPSE-2000-01-Vol-I)
NON-SUBMISSION OF ACCOUNTS

- ii. PAKISTAN AUTOMOBILE CORPORATION LIMITED
PARA-196, PAGE-167 (ARPSE-2000-01-VOL-I)
AUDIT COMMENTS
- iii. PARA-198, PAGE-168 (ARPSE-2000-01-VOL-I)
UNJUSTIFIED EXPENDITURE OF RS 732,000 ON EMPLOYING
SPORTS-MEN ON CONTRACT
- iv. REPUBLIC MOTORS (PVT) LIMITED
PARA-200, PAGE-170 (ARPSE-2000-01-VOL-I)
AUDIT COMMENTS
- v. PARA-201, PAGE-171 (ARPSE-2000-01-VOL-I)
AUDIT COMMENTS
- vi. SINDH ENGINEERING (PVT) LIMITED
PARA-203, PAGE-172 (ARPSE-2000-01-VOL-I)
AUDIT COMMENTS
- vii. PARA-204, PAGE-173 (ARPSE-2000-01-VOL-I)
WASTEFUL EXPENDITURE OF RS 10.063 MILLION ON OKA CAR
PROJECT
- viii. PARA-205, PAGE-173 (ARPSE-2000-01-VOL-I)
WASTEFUL EXPENDITURE OF RS 4.269 MILLION DUE TO
ACQUIRING OF A PLOT OF LAND ON RENT
- ix. T.D.C. VEHICLES ENGINEERING (PVT) LIMITED
PARA-206, PAGE-175 (ARPSE-2000-01-VOL-I)
- x. PARA-207, PAGE-175 (ARPSE-2000-01-VOL-I)
- xi. PAKISTAN INDUSTRIAL DEVELOPMENT CORPORATION PIDC
PRINTING PRESS (PVT.) LIMITED
- xii. PARA-5(XIX), PAGE-10 (ARPSE-2000-01-VOL-I)
NON-SUBMISSION OF ACCOUNTS
- xiii. PARA-208, PAGE-176 (ARPSE-2000-01-VOL-I)
P.I.D.C MEDICAL CENTRE, KARACHI
- xiv. PARA-209, PAGE-177 (ARPSE-2000-01-VOL-I)
P.I.D.C TALPUR TEXTILE MILLS LIMITED
- xv. PARA-210, PAGE-178 (ARPSE-2000-01-VOL-I)
PIDC SPECIALIZED REFRACTORY PROJECT

- xvi. PARA-211, PAGE-179 (ARPSE-2000-01-VOL-I)
- xvii. PARA-212, PAGE-179 (ARPSE-2000-01-VOL-I)
DIR FOREST INDUSTRIES COMPLEX (PVT) LIMITED
- xviii. PARA-213-214, PAGE-180 (ARPSE-2000-01-VOL-I)
SHAHDADKOT TEXTILE MILLS (PVT) LIMITED
- xix. PARA-215, PAGE-181 (ARPSE-2000-01-VOL-I)

PAKISTAN STEEL MILLS CORPORATION LIMITED
- xx. PARA-5(XX, XXI, XXII), PAGE-10 (ARPSE-2000-01-VOL-I)
NON-SUBMISSION OF ACCOUNTS
- xxi. PARA-217, PAGE-182 (ARPSE-2000-01-VOL-I)
IMPRUDENT INVESTMENT OF RS 5.000 MILLION IN ARABIAN SEA
COUNTRY CLUB
- xxii. PARA-219, PAGE-184 (ARPSE-2000-01-VOL-I)
UN-NECESSARY PAYMENT OF INTEREST AMOUNTING TO RS
318.164 MILLION TO HOUSE BUILDING FINANCE CORPORATION
(HBFC) ON BEHALF OF ALLOTTEES OF A HOUSING PROJECT
- xxiii. PARA-221, PAGE-185 (ARPSE-2000-01-VOL-I)
LOSS OF RS. 3.582 MILLION DUE TO DELAYED DECISION ON
PROCUREMENTS
- xxiv. PARA-223, PAGE-187 (ARPSE-2000-01-VOL-I)
IRREGULAR SPOT PURCHASE OF RS 3.749 MILLION IN VIOLATION
OF REVISED PROCUREMENT POLICY
- xxv. PARA-225, PAGE-188 (ARPSE-2000-01-VOL-I)
LOSS OF RS 8.146 MILLION DUE TO PAYMENT OF ADDITIONAL TAX
DUE TO DELAY IN PAYMENT OF TURN OVER TAX.

PAKISTAN STEEL FABRICATING COMPANY (PVT) LIMITED
- xxvi. PARA-226, PAGE-190 (ARPSE-2000-01-VOL-I)

STATE CEMENT CORPORATION OF PAKISTAN
- xxvii. PARA-5(xxiii), PAGE-10 (ARPSE-2000-01-Vol-I)
NON-SUBMISSION OF ACCOUNTS
- xxviii. PARA-228, PAGE-191 (ARPSE-2000-01-VOL-I)
- xxix. PARA-229, PAGE-191 (ARPSE-2000-01-VOL-I)

xxx. PARA-230, PAGE-192 (ARPSE-2000-01-VOL-I)
LOSS OF RS 128,688 DUE TO EXTENDING UNDUE FAVOUR TO AN OFFICER

ASSOCIATED CEMENT ROHRI

xxxii. PARA-231, PAGE-193 (ARPSE-2000-01-VOL-I)

JAVEDAN CEMENT LIMITED

xxxiii. PARA-232-233, PAGE-194 (ARPSE-2000-01-VOL-I)

xxxiiii. PARA-234, PAGE-194 (ARPSE-2000-01-VOL-I)

xxxv. PARA-235, PAGE-195 (ARPSE-2000-01-VOL-I)

xxxvi. PARA-236, PAGE-195 (ARPSE-2000-01-VOL-I)

MUSTEHKAM CEMENT LIMITED

xxxvii. PARA-237-238, PAGE-196 (ARPSE-2000-01-VOL-I)

xxxviii. PARA-239, PAGE-196 (ARPSE-2000-01-VOL-I)

THATTA CEMENT COMPANY LIMITED

xxxix. PARA-240, PAGE-198 (ARPSE-2000-01-VOL-I)

xl. PARA-241, PAGE-240 (ARPSE-2000-01-VOL-I)

PAC DIRECTIVE

The Committee settled the above paras.

16. i. PARA-242, PAGE-199 (ARPSE-2000-01-VOL-I)

ii. PARA-243, PAGE-200 (ARPSE-2000-01-VOL-I)
LOSS OF RS 27.671 MILLION DUE TO UNAUTHORIZED PAYMENT OF EXCESS REBATE TO THE STOCKIEST.

PAC DIRECTIVE

The Committee settled the above two paras subject to verification by Audit.

17. i. PARA-216, PAGE-182 (ARPSE-2000-01-VOL-I)

LOSS OF RS 20.334 MILLION DUE TO DEFECTIVE ROLLS FOR COLD ROLLING MILLS AND NON-ENCASHMENT OF PERFORMANCE BANK GUARANTEE

- ii. **ARA-218, PAGE-183 (ARPSE-2000-01-VOL-I)**
PROCUREMENT OF DEFECTIVE TAP HOLE REPAIR MASS
RESULTING IN LOSS OF US\$ 35,640 AND RS 1.187 MILLION

PAC DIRECTIVE

The Committee pended the above 2 paras.

18. **PARA-220, PAGE-185 (ARPSE-2000-01-VOL-I)**
WASTEFUL EXPENDITURE AMOUNTING TO RS 1.730 MILLION ON
PROCUREMENT OF LIQUID CHLORINE GAS CYLINDERS

PAC DIRECTIVE

The Committee directed the PAO that recovery should be made according to Land Revenue Act and report to PAC within one month.

19. **PARA-224, PAGE-188 (ARPSE-2000-01-VOL-I)**
LOSS OF US\$ 0.142 MILLION DUE TO ACCEPTANCE OF DEFECTIVE
STOPPERS

PAC DIRECTIVE

The Committee directed the PAO to pursue the court case vigorously and pended the para till its next meeting on the Ministry.

AUDIT REPORT YEAR 2005-2006

20. i. **PAKISTAN AUTOMOBILE CORPORATION LIMITED**
PARA-104- PAGE-166-(ARPSE-2005-06)
- ii. **PARA-104.1 PAGE-166 (ARPSE-2005-06)**
- iii. **PARA-104.2 PAGE-167 (ARPSE-2005-06)**
- iv. **PARA-104.3 PAGE-167 (ARPSE-2005-06)**
- v. **PAKISTAN MOTORCAR COMPANY (PVT) LIMITED**
PARA-105 PAGE-168 (ARPSE-2005-06)
- vi. **PARA-105.1 PAGE-168(ARPSE-2005-06)**

- vii. PARA-105.2 PAGE-169(ARPSE-2005-06)
- viii. PARA-105.3 PAGE-169(ARPSE-2005-06)
- ix. PARA-105.4 PAGE-169 (ARPSE-2005-06)
- x. PARA-105.5 PAGE-170(ARPSE-2005-06)
- xi. REPUBLIC MOTORS (PVT) LIMITED
- xii. PARA-106 PAGE-171 (ARPSE-2005-06)
- xiii. PARA-106.1 PAGE-171(ARPSE-2005-06)
- xiv. PARA-106.2 PAGE-172(ARPSE-2005-06)
- xv. PARA-106.3 PAGE-172(ARPSE-2005-06)
- xvi. PARA-106.4 PAGE-172 (ARPSE-2005-06)
- SIND ENGINEERING (PVT) LIMITED
- xvii. ANNEXURE-I(17) PAGE-410 (ARPSE-2005-06)
- TDC VEHICLES ENGINEERING (PVT) LIMITED
- xviii. ANNEXURE-I(18) PAGE-410 (ARPSE-2005-06)
- PAKISTAN INDUSTRIAL DEVELOPMENT CORPORATION LIMITED
- xix. PARA-107 PAGE-173 (ARPSE-2005-06)
- xx. PARA-107.1 PAGE-173(ARPSE-2005-06)
- xxi. PARA-107.2 PAGE-173(ARPSE-2005-06)
- xxii. PARA-107.3 PAGE-174(ARPSE-2005-06)

PAC DIRECTIVE

The Committee settled the above twenty-one paras.

- 21. PARA-108 PAGE-174 (ARPSE-2005-06)
WASTEFUL EXPENDITURE ON ESTABLISHMENT OF BUSINESS SUPPORT CENTRES – RS.2.96 MILLION

PAC DIRECTIVE

The Committee settled the para.

22. i. PIDC MEDICAL CENTRE, KARACHI
PARA-109 PAGE-177 (ARPSE-2005-06)
- ii. PARA-109.1 PAGE-177(ARPSE-2005-06)
- iii. PARA-109.2 PAGE-177(ARPSE-2005-06)
- iv. PIDC TALPUR TEXTILE MILLS
ANNEXURE-I(21) PAGE-410 (ARPSE-2005-06)
- v. PIDC SPECIALIZED REFRACTORY PROJECT
ANNEXURE-I(22) PAGE-410 (ARPSE-2005-06)
- vi. PIDC DIR FOREST INDUSTRIES
ANNEXURE-I(23) PAGE-410 (ARPSE-2005-06)
- vii. PIDC SHAHDADKOT TEXTILE MILLS (PVT) LIMITED PROJECT
ANNEXURE-I(24) PAGE-410(ARPSE-2005-06)
- viii. STATE CEMENT CORPORATION OF PAKISTAN (PVT) LIMITED
PARA-110 PAGE-178(ARPSE-2005-06)
- ix. PARA-110.1 PAGE-178(ARPSE-2005-06)
- x. PARA-110.2 PAGE-179(ARPSE-2005-06)
- xi. PARA-110.3 PAGE-179(ARPSE-2005-06)
- xii. PARA-110.4 PAGE-179(ARPSE-2005-06)
- xiii. PARA-110.5 PAGE-179(ARPSE-2005-06)
- xiv. PARA-110.6 PAGE-179(ARPSE-2005-06)

PAC DIRECTIVE

The Committee settled the above paras.

23. i. PARA-111 PAGE-180 (ARPSE-2005-06)
LOSS ON ACCOUNT OF SALE OF LAND BELOW THE ASSESSED
MARKET VALUE – RS.17.48 MILLION
- ii. PARA-112 PAGE-181 (ARPSE-2005-06)
INADMISSIBLE EXPENDITURE ON PURCHASE OF AIR TICKETS–
RS.198,000

PAC DIRECTIVE

The Committee settled the two paras subject to verification by Audit.

24. i. **JAVEDAN CEMENT LIMITED**
PARA-113 PAGE-182(ARPSE-2005-06)
- ii. **PARA-113.1 PAGE-182(ARPSE-2005-06)**
- iii. **PARA-113.2 PAGE-183(ARPSE-2005-06)**
- iv. **PARA-113.3 PAGE-183(ARPSE-2005-06)**
- v. **PARA-114 PAGE-183 (ARPSE-2005-06)**
**LOSS DUE TO SALE OF SCRAP BELOW THE ESTIMATED VALUE-
RS.10 MILLION**
- vi. **MUSTEHKAM CEMENT LIMITED**
PARA-115 PAGE-185 (ARPSE-2005-06)
- vii. **PARA-115.1 PAGE-185(ARPSE-2005-06)**
- viii. **PARA-115.2 PAGE-185(ARPSE-2005-06)**
- ix. **PARA-115.3 PAGE-186(ARPSE-2005-06)**
- x. **PARA-115.4 PAGE-186(ARPSE-2005-06)**
- xi. **PARA-115.5 PAGE-186(ARPSE-2005-06)**
- xii. **PARA-116 PAGE-186 (ARPSE-2005-06)**
**WASTEFUL EXPENDITURE ON ACCOUNT OF UN-NECESSARY
PREPARATION OF FEASIBILITY REPORT – RS.400,000/-**

PAC DIRECTIVE

The Committee settled the above paras.

**25. PAKISTAN STEEL MILLS CORPORATION (PVT) LIMITED
PARA-117.8 PAGE-189 (ARPSE-2005-06)**

PAC DIRECTIVE

The Committee directed the PAO to ask the Chief Secretary, Government of Sindh to attend the next meeting of the PAC on the Ministry and report on the issue within two weeks.

**26. PARA-118 PAGE-190 (ARPSE-2005-06)
SUPPLY OF GOODS ON FAKE BANK GUARANTEES – RS.49.35 MILLION**

PAC DIRECTIVE

The Committee directed the PAO to refer the para to NAB and report to the PAC.

- 27. i. PARA-119.1 PAGE-192 (ARPSE-2005-06)
PURCHASE OF ALUMINUM INGOTS ON SINGLE QUOTATION BASIS
RS.148.10 MILLION.**
- ii. PARA-119.2 PAGE-192 (ARPSE-2005-06)
PROCUREMENT OF FERRO VANADIUM FROM A DEFAULTING
SUPPLIER BY NEGOTIATIONS IGNORING THE LOWEST BID –
RS.142.13 MILLION**
- iii. PARA-119.3 PAGE-193 (ARPSE-2005-06)
LOSS DUE TO DELAY IN PLACING OF PURCHASE ORDER ON
SINGLE TENDER BASIS – RS.7.31 MILLION**

PAC DIRECTIVE

The Committee settled the above paras.

**28. PARA-122 PAGE-196 (ARPSE-2005-06)
APPOINTMENT OF LEGAL ADVISORS IN PAKISTAN STEEL MILLS IN
VIOLATION OF GOVERNMENT INSTRUCTIONS**

PAC DIRECTIVE:-

The Committee directed the PAO to get the amount regularized within one month, otherwise recovery should be made.

29. **PARA-124 PAGE-198 (ARPSE-2005-06)**
LOSS DUE TO NON-REPLACEMENT OF REJECTED ITEM – RS.2.30
MILLION

PAC DIRECTIVE

The Committee referred the para back to DAC.

AUDIT REPORT YEAR 2008-2009

30. **SINDH ENGINEERING LIMITED**
PARA-101 PAGE-144 (ARPSE-2008-09)

PAC DIRECTIVE

The Committee settled the para.

31. **PARA-102 PAGE-144 (ARPSE-2008-09)**
LOSS DUE TO REDUCTION IN VALUE OF STORES / SPARES RS 15.831
MILLION

PAC DIRECTIVE

The Committee directed the PAO to finalize the report, fix responsibility and report to the PAC within two months.

32. **PAKISTAN INDUSTRIAL DEVELOPMENT CORPORATION (PVT.)**
LIMITED
i. **PARA-103 PAGE-145 (ARPSE-2008-09)**
ii. **PARA-103.1 PAGE-145 (ARPSE-2008-09)**
iii. **PARA-103.2 PAGE-146 (ARPSE-2008-09)**

PAC DIRECTIVE

The Committee settled the above three paras.

**33. PARA-104 PAGE-146 (ARPSE-2008-09)
LOSS DUE TO UNAUTHORIZED SALE OF ASSETS WITHOUT
REPAYMENT OF LOAN – RS 4.515 MILLION**

PAC DIRECTIVE

The Committee directed the PAO to finalize the report, fix responsibility and report to the Committee within two months.

- 34. i. PAKISTAN STEEL MILLS CORPORATION (PVT.) LIMITED
PARA-105 PAGE-147 (ARPSE-2008-09)**
- ii. PARA-105.1 PAGE-147 (ARPSE-2008-09)**
- iii. PARA-105.2 PAGE-147 (ARPSE-2008-09)**
- iv. PARA-105.3 PAGE-147 (ARPSE-2008-09)**
- v. PARA-105.4 PAGE-148 (ARPSE-2008-09)**
- vi. PARA-105.5 PAGE-148 (ARPSE-2008-09)**
- vii. PARA-105.6 PAGE-148 (ARPSE-2008-09)**
- viii. PARA-105.7 PAGE-148 (ARPSE-2008-09)**
- ix. PARA-105.8 PAGE-148 (ARPSE-2008-09)**
- x. PARA-105.9 PAGE-148 (ARPSE-2008-09)**

PAC DIRECTIVE

The Committee settled the above paras.

**35. PARA-106 PAGE-149 (ARPSE-2008-09)
LOSS OF REVENUE DUE TO FIXATION OF SALE PRICE BELOW
MARKET PRICE – RS 9.672 BILLION.**

PAC DIRECTIVE

The Committee pended the para.

35. **PARA-107 PAGE-150 (ARPSE-2008-09)**
LOSS DUE TO NON-RECOVERY OF EXTRA FREIGHT – RS 221.214 MILLION

PAC DIRECTIVE:-

The committee directed the PAO to make coordination with Ministry of Ports & Shipping by involving Ministry of Finance and solve the issue within one month and report to PAC/Audit.

36. **PARA-108 PAGE-152 (ARPSE-2008-09)**
IRREGULAR AWARD OF SALE CONTRACT BY EXTENDING UNDUE FAVOUR TO AN APPLICANT DEALERSHIP –RS 194.134 MILLION

PAC DIRECTIVE

The Committee directed the PAO to hold a fresh inquiry and report to the PAC within two weeks.

37. **PARA-109 PAGE-153 (ARPSE-2008-09)**
LOSS DUE TO PURCHASE OF MATERIAL BY SPLITTING UP PURCHASES – RS158.672 MILLION

PAC DIRECTIVE

The Committee directed the PAO to hold a fresh DAC and resolve the issue within ten days.

38. **PARA-110 PAGE-154 (ARPSE-2008-09)**
LOSS DUE TO IRREGULAR/UNJUSTIFIED PAYMENT OF HOUSE RENT ALLOWANCE IN ADDITION TO OFFICIAL ACCOMMODATION TO EX-CHAIRMEN – RS 2.886 MILLION

PAC DIRECTIVE

The Committee directed the PAO to ensure the recovery of the amount within two weeks and report to the PAC/Audit.

39. i. **PARA-111 PAGE-155 (ARPSE-2008-09)**
LOSS DUE TO NON-LIFTING OF MATERIAL BY THE BUYERS WITHIN STIPULATED TIME - RS 1.842 MILLION

- ii. **PARA-112 PAGE-155 (ARPSE-2008-09)**
LOSS DUE TO INORDINATE DELAY IN PLACEMENT OF PURCHASE
ORDERS – RS 1.643 MILLION

- iii. **PAKISTAN STEEL FABRICATING COMPANY (PVT) LIMITED**
ANNEXURE-I PAGE-372 (ARPSE-2008-09)
NON SUBMISSION OF ACCOUNTS

PAC DIRECTIVE

The Committee settled the above three paras.

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MINISTRY OF RAILWAYS

ACTIONABLE POINTS - 12TH JULY, 2012.

1. REVIEW OF IMPLEMENTATION STATUS OF PREVIOUS PAC DIRECTIVES FOR THE YEARS 1996-97, 1999- 2000, 2000-2001, 2005-2006 AND 2008-09.

PAC DIRECTIVE

After brief discussion on the previous PAC directives the Committee directed the PAO that:

- a. All the paras recommended for settlement subject to verification by the Audit, be clubbed and get it verified by the Audit within a week and report to the Committee;
- b. To depute an officer of the Ministry to coordinate with the Deputy Secretary, Implementation Wing of PAC and sort out all the issues pertaining to the paras of subject five years;
- c. To make a list of all court cases including NAB and FIA cases, and forward to the PAC secretariat within one week. The Additional Secretary (PAC) will forward it to the Attorney General for early disposal of the court cases;
- d. To make an up to date list/chart of all recovery cases, in consultation with the Audit and provide the recovery status on fortnightly basis to Implementation Wing of PAC; and Meetings of DAC be held on monthly basis.

ACTIONABLE POINTS - 13TH SEPTEMBER, 2012

AUDIT PARAS AND AUDIT COMMENTS ON THE ACCOUNTS OF PAKISTAN RAILWAYS FOR THE AUDIT YEAR 1999-2000

2. i. **PARA NO.6(E)3**
NON REALIZATION OF MAINTENANCE CHARGES AMOUNTING TO RS.10437 MILLION FROM DEFENCE DEPARTMENT AND PARIVATE PARTIES

- ii. PARA NO.6(E) 4
LOSS OF RS.7.979 MILLION DUE TO NON-REALIZATION OF RENTAL CHARGES FROM OIL OMPANIES
- iii. PARA NO.6(E) 10
LOSS OF RS.665,528 DUE TO NON-RECOVERY OF RENTAL CHARGES FROM OTHER GOVERNMENT DEPARTMENT
- iv. PARA NO.6(F) 6
LOSS OF RS.0.642 MILLION DUE TO UNAUTHORIZED OCCUPATON OF RAILWAY ACCOMMODATION

PAC DIRECTIVE

The Committee settled the above paras.

AUDIT PARAS AND AUDIT COMMENTS ON THE ACCOUNTS OF PAKISTAN RAILWAYS FOR THE AUDIT YEAR 2000-2001

- 3. PARA NO16
NON-REALIZATION OF RS.1.133 MILLION ON ACCOUNT OF OUTSTANDING RENT AND PENALTY FROM TENANTS

PAC DIRECTIVE

The Committee settled the above para.

ACTIONABLE POINTS FOR THE YEAR 2005-2006 (A)

- 4. i. PARA NO.2.4
NON-RECOVERY OF RENTAL CHARGES AMOUNTING TO RS.28.026 MILLION FROM THE OIL MARKETING COMPANY.
- ii. PARA NO.5.1
LOSS OF RS.4.421 MILLION DUE TO NON-FULFILLMENT OF COMMITMENT BY A PRIVATE FIRM
- iii. PARA NO.6.3
BLOCKAGE OF RS.1.642 MILLION DUE TO NON-UTILIZATION OF MATERIAL

- iv. PARA NO.6.5
SHORT SUPPLY OF MATERIAL RESULTING IN EXCESS PAYMENT OF CUSTOMS DUTY, SALES TAX AND OTHER ALLIED CHARGES OF RS.1.302 MILLION.
- v. PARA NO.6.9
LOSS OF RS.0.458 MILLION DUE TO SUPPLY OF DEFECTIVE "HERMATIC SALED COMPRESSORS'.

PAC DIRECTIVE

The Committee settled the above paras.

ACTIONABLE POINTS FOR THE YEAR 2008-2009

- 5. i. PARA NO.1.9
NON-RECOVERY OF LATE-PAYMENT CHARGES AMOUNTING TO RS.21.816 MILLION.
- ii. PARA NO.1.19
NON-RETRIEVAL OF RAILWAY LAND VALUING RS.5,110 MILLIOM.
- iii. PARA NO.2.9
NON-RECOVERY OF TV CABLE CROSSING CHARGES OF RS.2..074 MILLION.
- iv. PARA NO.2.14
INCURRENCE OF EXTRA EXPENDITURE OF RS.2.429 MILLION DUE TO POOR PLANNING AND ESTIMATION.
- v. PARA NO.3.4
WASTEFUL EXPENDITURE OF RS.14.465 MILLION.
- vi. PARA NO.4.12
PURCHASE OF DEFECTIVE MATERIAL VALUING RS.2.540 MILLION.
- vii. PARA NO.4.13
IRREGULAR EXPENDITURE OF RS.18.986 MILLION BY SPLITTING UP THE PURCHASE.
- viii. PARA NO.4.19
LOSS OF RS.45.770 MILLION DUE TO PROCUREMENT OF MATERIAL OF INCORRECT SPEIFICATIONS.

- ix. PARA NO.4.22
LOSS OF RS.0.269 MILLION DUE TO CANCELLATION OF PURCHASE ORDERS.
- x. PARA NO.5.1
NON-DISPOSAL OF SCRAP VALUING RS.1.018.728 MILLION
- xi. PARA NO.5.2
EXCESS PROCUREMENT OF MATERIAL WORTH RS.200.384 MILLION.
- xii. PARA NO.5.7
INFRACTUOUS EXPENDITURE OF RS.109.500 MILLION.
- xiii. PARA NO.6.9
LOSS OF RS.19.669 MILLION DUE TO IRREGULAR A WARD OF A CONTRACT.
- xiv. PARA NO.6.13
MISAPPROPRIATION OF BALLAST VALUING RS.7.416 MILLION.

PAC DIRECTIVE

The Committee settled the above paras.

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MINISTRY OF WATER AND POWER

ACTIONABLE POINTS - 9TH AUGUST, 2012.

NATIONAL ENGINEERING SERVICES PAKISTAN (PVT.) LIMITED

**1. PARA-227.2, PAGE-360 ARPSE-2008-09
MISUSE OF GOVERNMENT VEHICLES BY NON-ENTITLED PERSONS AND
RECOVERY OF RS. 342,530**

Audit informed the Committee the poor liquidity position of receivables. An increasing trend of receivables by 56% in the year 2008-09 from 2007-08 has also been printed out.

PAC DIRECTIVE

1. The Committee directed the PAO to obtain reply in writing from M.D. NESPAK as to why the receivables are increasing, initiate measures to recover the amount and report to Committee within ten days;
2. PAC also directed the PAO to provide details, of competency of Board of Directors, the authenticity and value of the Organization to the Sub-Committee of PAC constituted under the Convenership of Mr. Zahid Hamid, MNA for further discussion in the Sub-Committee; and
3. The Committee deferred the discussion on rest of the paras of Implementation Status on its previous directives till its next meeting.

ACTIONABLE POINTS – 24TH JANUARY, 2013

2. i. **GRANT NO 143, AR 2000-01**
DEVELOPMENT EXPENDITURE OF WATER & POWER DIVISION
SAVING IN THE APPROPRIATION ACCOUNTS-RS.1,197,886,122/-
- ii. **GRANT NO 159, AR 2000-01**
CAPITAL OUTLAY ON IRRIGATION AND ELECTRICITY
SAVING IN THE APPROPRIATION ACCOUNTS-RS.62,600,000/-

PAC DIRECTIVE

The Committee regularized the saving in the above grants

AUDIT REPORT 1996-97

3. i. **PARA NO.1**
NON-MAINTENANCE OF RECORD FOR WORKS AMOUNTING
RS.274.267 MILLION
- ii. **PARA NO.2**
LOSS DUE TO ACCEPTANCE OF SUB-STANDARD MATERIAL
VALUING RS.132.773 MILLION
- iii. **PARA NO.4**
WASTEFUL EXPENDITURE OF RS.41.62 MILLION DUE TO BAD
PLANNING
- iv. **PARA NO.6**
LOSS OF RS.8,725,000 DUE TO CANCELLATION OF PURCHASE
ORDER
- v. **PARA NO.9**
EXCESS PAYMENT OF RS.5.276 MILLION IN REFUND OF
RETENTION MONEY
- vi. **PARA NO.10**
IRREGULAR PAYMENT OF UN-ATTRACTIVE AREA ALLOWANCE
RS.4.976 MILLION
- vii. **PARA NO.17**
LOSS OF RS.3.2 MILLION ON PURCHASE OF FOUR NUMBER
CRANE MOUNTED TRUCKS
- viii. **PARA NO.37**
LOSS OF RS.802,187 DUE TO IMPOSITION OF PENALTY FOR LATE
CLEARANCE OF MATERIAL
- ix. **PARA NO.42**
IRREGULAR REFUND DUE TO BOGUS METER READING RS.640,169
- x. **PARA NO.45**
LOSS OF RS.548,555 ON IRREGULAR RE-IMBURSEMENT OF
OCTROI CHARGES

- xi. **PARA NO.55**
NON RECOVERY OF RS.916,805 FROM INDUSTRIAL CONSUMERS
- xii. **PARA NI.61**
LOSS OF US\$ 154440 (RS.293,600) DUE TO NEGLIGENCE OF WAPDA STAFF
- xiii. **PARA NO.62**
LOSS OF RS.292,500 DUE TO NON RECOVERY OF RENTAL CHARGES OF DIESEL GENERATING SETS
- xiv. **PARA NO.63**
EXTRA EXPENDITURE OF RS.273,600 DUE TO USE OF CONDUCTOR OF HIGHER VALUES
- xv. **PARA NO.69**
LOSS OF RS.195,000 DUE TO LEAKAGE OF TRANSFORMER OIL
- xvi. **PARA NO.75**
NON-RECOVERY OF REST HOUSE CHARGES FROM A PRIVATE PERSON RS.123,300

PAC DIRECTIVE

The Committee settled the above 16 paras

- 4. **PARA-5 (QESCO)AUDIT REPORT (1996-97)**
OVERPAYMENT OF RS.7,457,405 ON ACCOUNT OF EXCAVATION OF CANAL

PAC DIRECTIVE DATED 26.05.1999

The Committee directed the Principal Accounting Officer to examine the facts of the issue and report to the Committee within one month.

Management Response dated 10.09.2012

The PAO informed the Committee that the formation concerned vide memo dated 30.11.2000 has forwarded a copy of Engineering Adviser Civil)/Chairman, Federal Flood Commission, Ministry of Water & Power letter dated 04.11.1999 wherein it has been stated that justification provided by WAPDA along with views of Ministry of Water & Power was forwarded to Public Accounts Committee and PAC would decide fate of the Para.

PAC DIRECTIVE

The Committee settled the above para subject to verification of the audit.

5. **PARA-67 (LESCO)AUDIT REPORT (1996-97)**
UN-DUE FAVOUR TO AN INDUSTRIAL CONSUMER LOSS OF RS.202,400

PAC DIRECTIVE

The Committee settled the above para.

AUDIT REPORT 1999-2000

6. i. **PARA NO.1**
LOSS OF RS.627.463 MILLION ON ACCOUNT OF DELAY COST CLAIM OF THE CONTRACTOR
- ii. **PARA NO 3**
LOSS OF RS.1026.400 MILLION DUE TO AWARD OF CONTRACT AT HIGHER RATES
- iii. **PARA NO 5**
LOSS OF RS.52.968 MILLION DUE TO IRREGULAR ESCALATION OF RATES
- iv. **PARA NO 8**
EXCESS PAYMENT OF RS.2.558 MILLION DUE TO ALLOWING HIGHER RATES IN VARIATION ORDER
- v. **PARA NO 16**
LOSS OF RS.374,614 DUE TO NON CLEARANCE OF T.P. SECURITY BY M/S MONO IMPEX (PVT) LTD
- vi. **PARA NO 21**
LOSS OF RS.141,713 (DM 5057.18) DUE TO SHORT SUPPLY OF MATERIAL
- vii. **PARA NO 34**
LOSS OF RS.2.897 MILLION DUE TO RE-IMBURSEMENT OF BOGUS OCTROI RECEIPTS

PAC DIRECTIVE

The Committee settled the above paras.

7. **PARA-18 AUDIT REPORT (1999-2000)**
LOSS OF RS.1.719 MILLION DUE TO DEFECTIVE DESIGN IN WORK OF RESTORATION OF STONE APRON OF SPILL WAY

During 1993-99 work for “Restoration of Stone Apron Hub Dam Free Flow Spillway” was awarded to a contractor by Project Director, Karachi Irrigation Project, Karachi.

Under contractual provision, the work was got insured by the contractor in the joint name of employer and contractor with M/s National Insurance Corporation against losses and damages on account of any cause including floods. The insurance was to cover the period of commencement to the completion of work and also covered the period of maintenance.

During execution of work, heavy monsoon rains damaged the work executed by the contractor. A claim was lodged by the contractor with M/s. N.I.C. for compensation of loss. The Corporation did not accede to and the case was turned down on the plea that loss occurred due to faulty design of WAPDA. It was also stated by the Insurance Corporation that design problem be studied by WAPDA and corrective measures be under-taken to prevent recurrence of loss. Due to non compensation of loss, the contractor did not restart work and the work was got done departmentally. Loss of Rs.1, 718,928/- was sustained by the Authority.

PAC DIRECTIVE

The Committee directed the PAO to reconcile with Secretary Ministry of Commerce and Chairman NICL and resolve the issue and report to the PAC within 15 days. All three officers to be called for next meeting, if the issue is not resolved

8. **PARA-36 AUDIT REPORT (1999-2000)**
SHORT LANDING OF MATERIAL FOR RS.3.118 MILLION & US \$ 266.601

The Chief Resident Representative Karachi, placed four purchase orders upon Foreign Suppliers for the purchase of electrical items. The consignments were received at Karachi Port Trust and transported to the ultimate consignees. During inspection, the material was either found short landed or damaged. The Authority sustained a loss of Rs.3.118 million & US \$ 266.601.

The Ministry informed the PAC, the formation concerned has intimated that the observation contained in the Draft Para has also been taken by DG (Audit) WAPDA while conducting the Audit on the accounts of RE, SPS, Faisalabad and converted the same Para into DP-885. The loss of Rs.6.092 million involved in both Paras (DP-112/2000 & DP-885) were written off by the Authority in its meeting held on 01.12.2001 A copy of Post Audit Certificate of write off sanction involved in the case has also been provided to Audit.

PAC DIRECTIVE

The Committee settled the para subject to verification of the audit.

AUDIT REPORT 2000-01

- 9, i. **PARA NO.9**
LESS RECOVERY OF RS.0.142 MILLION FROM THE CONSUMER
- ii. **PARA NO.23**
LOSS DUE TO APPLICATION WRONG TARIFF RS.5.074 MILLION.
- iii. **PARA NO.69**
SHORTAGE OF MATERIAL VALUING RS.0.112 MILLION
- iv. **PARA NO.93**
EXCESS EXPENDITURE OF RS.0.378 MILLION DUE TO ALLOWING EXCESSIVE RATE OF BOQ ITEM
- v. **PARA NO.108**
LOSS OF RS.18.74 MILLION DUE TO PURCHASE OF SUB-STANDAR TRANSFORMERS

- vi. PARA NO.109
LOSS OF RS.3.482 MILLION DUE TO FLOOD DAMAGE.

PAC DIRECTIVE

On the presentation of above paras, the Committee settled the paras.

AUDIT REPORT 2000-01

10. i. PARA NO14
LOSS OF RS.15.583 MILLION DUE TO NON-DISMANTLING
A REDUNDANTTRANSMISSION LINE
- ii. PARA NO.17
LESS RECOVERY OF CAPITAL COST AMOUNTING TO RS.12.581-
MILLION.
- iii. PARA NO.28
MISAPPROPRIATION OF TRANSFORMERS OF VARIOUS
CAPACITIES VALUING RS.9.024 MILLION
- iv. PARA NO.30
SUSPECTED MISAPPROPRIATION OF MATERIAL COSTING RS.0.200
MILLION
- v. PARA NO.32
MIS-APPROPRIATION OF TRANSFORMERS VALUING RS.1.831
MILLION
- vi. PARA NO.33
MISAPPROPRIATION OF TRANSFORMERS VALUING RS.2.225
MILLION
- vii. PARA NO.39
LOSS OF RS.28.968 MILLION DUE TO NON-PURSUANCE OF CLAIM
REGARDING BUILDING DEMOLISHED BY L.D.A
- viii. PARA NO.42
NON-PRODUCTION OF RECORD REGARDING ELECTRICAL
MATERIAL VALUING RS.50.539 MILLION
- ix. PARA NO.49
LOSS OF RS.31.078 MILLION DUE TO THEFT OF ENERGY

- x. PARA NO.55
EXCESS EXPENDITURE OF RS.90.070 MILLION ON DEPOSIT WORKS
- xi. PARA NO.56
NON-RECOVERY OF RS.0.350 MILLION ON ACCOUNT OF SHORTAGE OF MATERIAL
- xii. PARA NO.57
LOSS OF RS.4.162 MILLION DUE TO DAMAGE OF A TRANSFORMER.
- xiii. PARA NO.117
IRREGULAR EXPENDITURE OF RS.0.508 MILLION 21

AUDIT REPORT 2005-2006

- xiv. PARA NO.1.1
UNJUSTIFIED PAYMENT OF RS.1244.00 MILLION ON ACCOUNT OF ADDITIONAL COST CLAIM
- xv. PARA NO.1.3
LOSS OF RS.18.411 MILLION DUE TO CARELESSNESS OF THE PROJECT MANAGEMENT
- xvi. PARA NO.4.1
LOSS OF RS.2.067 MILLION DUE TO PURCHASE OF SECURITY EQUIPMENT AT EXORBITANT RATES
- xvii. PARA NO.6.1
LOSS OF RS.58.681 MILLION DUE TO SHORT BILLING
- xviii. PARA NO.6.4
RECURRING LOSS OF RS.8.457 MILLION DUE TO NON-EXECUTION OF REHABILITATION WORK
- xix. PARA NO.12.1
LOSS OF RS.446.382 MILLION DUE TO UN-NECESSARY PROCUREMENT OF STORE
- xx. PARA NO.12.2
LOSS OF RS.335.135 MILLION DUE TO SHORTAGE OF MATERIAL

- AUDIT REPORT 2008-09(WAPDA)**
- xxi. **PARA NO.1.3**
IRREGULAR PURCHASE OF VEHICLES RS.19.698 MILLION
- xxii. **PARA NO.1.13**
NON RECEIPT OF ADJUSTMENT ACCOUNT OF PAYMENT TO
AFFECTEES AND INTEREST RS.226.184 MILLION
- xxiii. **PARA NO.4.7**
SHORT COMINGS/NON-TRANSPARENCY IN AWARD OF RENTAL
CONTRACT TO M/S PAKISTAN POWER RESOURCES
- xxiv. **PARA NO.12.10**
NON RECOVERY OF SERVICE CHARGES RS.20 MILLION
- xxv. **PARA NO.12.19**
UNLAWFUL RECOVERY ON ACCOUNT OF CONSULTANCY FEE
RS.30.38 MILLION
- xxvi. **PARA NO.12.20**
OVER BILLING OF RS.120.924 MILLION
- xxvii. **PARA NO.12.22**
SHORT BILLING RS.193.797 MILLION
- xxviii. **PARA NO.14.15**
NON RECOVERY OF ENERGY LOSSES RS.47.893 MILLION
- xxix. **PARA NO.9.13**
LOSS DUE TO THEFT OF MATERIAL RS.9.909 MILLION
- xxx. **PARA NO 12.24**
LOSS DUE TO THEFT OF MATERIAL RS.11.827 MILLION
- xxxi. **PARA NO.13.10**
LOSS DUE TO THEFT OF MATERIAL RS.16.201 MILLION
- xxxii. **PARA NO.14.16**
LOSS DUE TO THEFT OF MATERIAL RS.6.366 MILLION

PAC DIRECTIVE

The Committee directed the PAO to submit compliance report to PAC on 32 paras in the light of previous PAC Directives within one month.

AUDIT REPORT 2008-09

11. i. **PARA NO.1.5**
IN-ADMISSIBLE PAYMENT ON ACCOUNT OF LABOUR AND FUEL
COST ESCALATION RS.51.585 MILLION
- ii. **PARA NO.1.10**
NON-RECOVERY OF EXTRA CONTRACTUAL FINANCIAL
COMPENSATION AND PENALTY FROM THE CONTRACTOR
RS.814.785 MILLION
- iii. **PARA NO.8.10**
LOSS OF RS.8.019 MILLION DUE TO THEFT OF MATERIAL
- iv. **PARA NO.10.10**
LOSS DUE TO THEFT OF MATERIAL RS.9.251 MILLION
- v. **PARA NO.10.11**
MIS-APPROPRIATION OF STORES RS.345 MILLION
- vi. **PARA NO.12.25**
NON RECOVERY ON ACCOUNT OF ENERGY LOSSES RS.18.774
MILLION

PAC DIRECTIVE

The Committee settled the above 6 paras.

12. i. **SPECIAL AUDIT REPORT 2000-01**
PARA NO.4.11
IRREGULAR AWARD OF WORK FOR THE TRANSPORTATION OF
WAPDA MATERIAL FORM KARACHI UP TO COUNTRY OF N.L.C. ON
HIGHER RATE RESULTING IN LOSS OF RS.2.86 MILLION.
- ii. **PARA NO.4.16**
SHORT DELIVERY OF 15 PACKAGES BY N.L.C. RESULTING IN LOSS
OF RS.0.671 MILLION.

PAC DIRECTIVE

The Committee settled the above paras.

**PERFORMANCE AUDIT REPORT REGARDING PAR/SSR/SARs
FOR THE YEAR 1996-97(WAPDA/PEPCO)**

13. i. **PARA-7 PAR (GSC) LAHORE CIRCLE (1996-97)
PROJECT OF RS.8,674.185 MILLION FOR CONSTRUCTION OF 220
KV. 132 & 66 KV SECONDARY TRANSMISSION LINES AND GRID
STATIONS UNDER GSC DEPARTMENT OF WAPDA.**
- ii. **PARA-8 PAR (GSC) LAHORE CIRCLE (1996-97)
INSTALATION OF SUB-STANDARD EQUIPMENTS IN GRID STATION
AND TRANSMISSION LINES**
- iii. **SPECIAL STUDY REPORT ON EQUIPMENT HANDED OVER
TO MAIN CONTRACTOR OF FOURTH DRAINAGE PROJECT
FAISALABAD (LRRP)**
- iv. **WHOLE REPORT (1996-97)
SSR ON EQUIPMENT HANDED OVER TO MAIN CONTRACTOR OF
LRRP**
- SPECIAL STUDY REPORT ON CENTRAL THERMAL TRAINING
ACADEMY PROJECT (SAR-10)**
- v. **WHOLE REPORT (SAR-10) (1996-97)
SAR ON CENTRAL THERMAL TRAINING ACADEMY PROJECT,
LAHORE.**
- vi. **SPECIAL AUDIT REPORT ON INVENTORY CONTROL
IN WAPDA REGIONAL STORE SHALAMAR, LAHORE(SAR-11)**
- vii. **WHOLE REPORT (SAR-11) (1996-97)
SAR ON INVENTORY CONTROL IN WAPDA REGIONAL STORE
SHALAMAR, LAHORE.**
- viii. **SPECIAL AUDIT REPORT ON ADDITIONAL 300 MEGA WATT
COMBINED CYCLE THERMAL POWER UNITS, GUDDU (SAR-15)**
- ix. **WHOLE REPORT (SAR-15) (1996-97)
SAR ON ADDITIONAL 300 MW COMBINED CYCLE THERMAL POWER
UNITS, GUDDU.**
- x. **SPECIAL AUDIT REPORT FOR THE YEAR 1999-2000
(WAPDA/PEPCO)**

- xi. (SPECIAL AUDIT REPORT ON DSITRIBUTION LOAD MANAGEMENT THROUGH RIPPLE CONTROL (SAR-105))
- xii. WHOLE REPORT (SAR-105) (1999-2000)
SAR ON DISTRIBUTION OAD MANAGEMENT THROUGH RIPPLE CONTROL SYSTEM
- xiii. SPECIAL AUDIT REPORT ON SWABI SCARP WAPDA MARDAN (SAR 109)
- xiv. PRAR NO. 3(B) WHOLE REPORT (SAR-109) (1999-2000)
SAR ON SWABI SALINITY CONTROL AND RECLAMATION PROJECT WAPDA MARDAN
- xv. PRAR NO. 4, WHOLE REPORT (SAR-109) (1999-2000)
SAR ON SWABI SALINITY CONTROL AND RECLAMATION PROJECT WAPDA MARDAN
- xvi. PRAR NO. 12, WHOLE REPORT (SAR-109) (1999-2000)
SAR ON SWABI SALINITY CONTROL AND RECLAMATION PROJECT WAPDA MARDAN
- xvii. PRAR NO. 13, WHOLE REPORT (SAR-109) (1999-2000)
SAR ON SWABI SALINITY CONTROL AND RECLAMATION PROJECT WAPDA MARDAN
- xviii. SPECIAL AUDIT REPORT ON HADALI SUB UNIT PROJECT SARGODHA(SAR-111)
- xix. WHOLE REPORT (SAR-111) (1999-2000)
SAR ON HADALI SUB UNIT PROJECT SARGODHA
- xx. SPECIAL AUDIT REPORT ON LEFT BANK OUTFALL DRAINAGE PROJECT,
- xxi. HYDERABAD (SAR-115) (PARAS FOR DISCUSSION BY PAC)
- xxii. PARA NO.2.1(SAR-109)(1999-2000)
LOSS OF RS.81.27 MILLION ON ACCOUNT OF RE-TENDERING.
- xxiii. PARA NO.2.7(SAR-109)
PAYABLE AMOUNT OF RS.18.23 MILLION TO THE CONTRACTORS ON ACCOUNT OF INTEREST

- xxiv. PARA NO.2.8(SAR-109)
NON-RECOVERY OF LIQUIDATED DAMAGES AMOUNTING TO RS.335.82 MILLION.
- xxv. PARA NO.2.11
EXCESS PAYMENT OF RS.6.36 MILLION ON ACCOUNT OF BOQ ITEM "EXTRA OVER HAULAGE OF EARTH"
- xxvi. PARA NO.2.38
LOSS OF RS.2.2 MILLION DUE TO INSERTION OF LUCRATIVE CLAUSE IN CONTRACT T-20 AB-3
- xxvii. SPECIAL AUDIT REPORT ON PURCHASE OF ENERGY FROM IPPS (SAR-122)
- xxviii. WHOLE REPORT (SAR-122) (1999-2000)
SAR ON THE PURCHASE OF ENERGY FROM INDEPENDENT POWER PROCURES
- xxix. SPECIAL AUDIT REPORT ON NATIONAL DRAINAGE PROJECT (SAR-124)
- xxx. WHOLE REPORT (SAR-124) (1999-2000)
SAR ON NATIONAL DRAINAGE PROGRAMME
- xxxi. SPECIAL AUDIT REPORT FOR THE YEAR 2000-01 (WAPDA)SUMMARY
- xxxii. PARA NO.4.1
LOSS OF RS.1391.447 (M) ON ACCOUNT OF PAYMENT OF 14% MARKUP AND DEMURRAGES DUE TO DELAY IN CLEARANCE OF CONSIGNMENT
- xxxiii. PARA NO.4.2
LOSS OF RS.331.780 MILLION DUE TO REJECTION OF REFUND CLAIM OF CUSTOM DUTY AND TAXES
- xxxiv. PARA NO.4.3
NON-REFUND OF T.P. SECURITY DEPOSITS FOR RS.324.999 MILLION
- xxxv. PARA NO.4.4
UN-DECIDED DEMURRAGE CHARGES FOR RS.192.704 MILLION

- xxxvi. PARA NO.4.5
DEMURRAGE CHARGES DUE TO PROCEDURAL DELAY ACCEPTED
ON WAPDA ACCOUNT FOR RS.146.807 MILLION
- xxxvii. PARA NO.4.6
NON RECOVERY OF INTEREST CHARGES OF RS.29.729 MILLION
DUE TO NON-REFUND OF T.P. SECURITY DEPOSITS FROM THE
KMC
- xxxviii. PARA NO.4.7(A)
NON CONFIRMATION OF RECOVERY OF DEMURRAGE CHARGES
FROM THE SUPPLIERS FOR RS.14.88(M)
- xxxix. PARA NO.4.7(B)
NON RECOVERY OF RS.1.254 MILLION FROM THE CONTRACTOR
- xl. PARA NO.4.8
RECOVERABLE DEMURRAGE CHARGES AMOUNTING TO RS.10.461
MILLION
- xli. PARA NO.4.9
NON RECOVERY OF RS.4.475 MILLION ON ACCOUNT OF
DEMURRAGE CHARGES FROM A SUPPLIER/CONTRACTOR
- xlii. PARA NO.4.10
LOSS OF RS.3.358 MILLION DUE TO FORFEITURE OF T.P.SECURITY
DEPOSIT
- xliii. PARA NO.4.12
NON RECOVERY OF LOSS DURING TRANSPORTATION OF
MATERIAL RS.2.588 MILLIONS
- xliv. PARA NO.4.13
PAYMENT OF EXTRA DUTY DUE TO DEFAULT ON THE PART OF
SUPPLIER FOR RS.1.873 MILLION
- xliv. PARA NO.4.14
LOSS OF RS.1.089 MILLION DUE TO PAYMENT OF 5% PENALTY
- xlvi. PARA NO.4.15
NON RECOVERY OF OCTROI CHARGES FROM A GOODS
TRANSPORT COMPANY RS.0.754 MILLION
- xlvii. AUDIT REPORT FOR THE YEAR 1996-97, 1999-2000, 2005-06 AND
2008-09

DETAIL OF PARAS FOR DISCUSSION OF PAC

- xlviii. **PARA NO.1, AR1996-97**
IRREGULAR EXPENDITURE TO AVOID LAPSE OF FUNDS-RS.1.440
MILLION
- xlix. **PARA NO.1.1, AR 1999-2000**
EMBEZZILEMENT OF RS.0.638 MILLION BY CASHIER AND NON-
RECOVERY OF GOVERNMENT DUES-RS.0.054 MILLION
- I. **PARA No.2.1, AR 1999-2000**
UNAUTHORISED PAYMENT OF TELEPHONE BILLS BY THE
ATTACHED DEPARTMENT-RS.5,801 MILLION
- ii. **PARA No.2.2, AR 1999-2000**
IRREGULAR/EXCESS EXPENDITURE ON TELEPHONES-RS.3.852
MILLION
- iii. **PARA No.2.4, AR 1999-2000**
IRREGULAR EXPENDITURE ON ENTERTAINMENT CHARGES-
RS0.333 MILLION
- iiii. **PARA No.3.1, AR 1999-2000**
RECOVERY ON ACCOUNTS OF MISUSE OF GOVERNMENT
VEHICLES-RS.0.204 MILLION
- lv. **PARA No.3.2, AR 1999-2000**
RECOVERY ON ACCOUNTS OF EXCESS CALLS MADE FROM
OFFICIAL/ RESIDENCIAL TELEPHONE -RS.0.184 MILLION
- vi. **PARA No.4.1, AR 1999-2000**
NON PRODUCTION OF RECORD RELATING TO DISCRETIONARY
GRANT OF MINISTER-RS.4.800 MILLION

PAC DIRECTIVE

The Committee directed the PAO to call DAC meeting and resolve all the issues relating to the above paras in the light of previous PAC directives and report to PAC within one month.

SPECIAL AUDIT REPORT ON SWABI SCARP WAPDA MARDAN

14. i. **PARA NO.7 SAR-109**
UNJUSTIFIED PAYMENT OF RS.1.295 MILLION ON ACCOUNT OF ESCALATION
- ii. **PARA NO.9 (A) SAR-109**
LOSS OF RS.148.324 MILLION DUE TO USE OF BELOW SPECIFIED/POOR/OUTDATED MATERIAL SUPPLIED BY VARIOUS CONTRACTORS PARA

SPECIAL AUDIT REPORT ON LEFT BANK OUT FALL DRAINAGE PROJECT, HYDERABAD
- iii. **PARA NO.2.3 SAR-115**
EXTRA PAYMENT OF RS.180 MILLION ON ACCOUNT OF COST ESCALATION DUE TO DELAY IN AWARD OF CONTRACT
- iv. **PARA NO.2.14 SAR-115**
EXCESS PAYMENT OF RS.29.26 MILLION
- v. **PARA NO.2.18 SAR-115**
IRREGULAR REIMBURSEMENT OF RS.115.45 MILLION ON ACCOUNT OF CUSTOM DUTIES
- vi. **PARA NO.2.30 SAR-115**
AVOIDABLE EXPENDITURE OF RS.108.160 MILLION ON ACCOUNT OF ADMN/OVER HEAD EXPENSES

PAC DIRECTIVE

The Committee settled the above paras on recommendation of DAC

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The End