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 Assistant Director (Finance & Council)
 Monday, 19 January, 2025, 6:35:22 PM

CIVIL AUDIT REPORT 1999-2000

Para No. 4.6 Loss of US\$ 790947 on account of Training Abroad

PARC spends US \$ 790947 on the training abroad of 26 officers. According to terms and conditions of training the officers were required to re-join the PARC after completion the training but, they did not rejoin. The PARC failed to protect public interest by obtaining Surety Bonds before sending officers on training.

The matter was reported to the Management on 11.04.2000 and a reminder issued to the Secretary on 7.8.2000, but so response has so far been received.

Action Required:

Concerned officer may be made to make up the loss.

Investigate the whole affairs of PARC

CIVIL AUDIT REPORT 2003-04

Para No. 5.1 Non- approval of PARC Medical and Treatment Regulation 1990. Irregular expenditure of Rs.25.99 million

According to Section 25 of PARC Ordinance, 1981, the federal Govt. may, by notification in official gazette, make rules for carrying out purpose of ordinance, in particular, the functions and powers of the Chairman. Section 26 of the said Ordinance further provides that the Council, with prior sanction of Federal Govt. may make regulations not inconsistent with the Ordinance.

However, Perusal of record revealed that the organization framed PARC employees (Medical Attendance and treatment) Regulations, 1990 with out approval of the Government (Health Division) and notified vide SRO No.276 (1)/90 dated 18 March 1990. Thus expenditure of Rs. 14.06 million as detailed below incurred on medical treatment from July 2000 to June, 2003 was irregular/un-authorized.

| Financial Year | Amount (Rs in million) |
|-----------------------|-------------------------------|
| 2000-01 | 6.498 |
| 2001-02 | 8.111 |
| 2002-03 | 9.455 |
| Total | 14.064 |

It was also noted that contrary to the provisions of PARC vide O.M. No.F.10-1/89-AO(M) dated 30th June 1994 decided to pay medical allowance to its employees without prior approval of the Health and Finance Divisions as under.

| S. No. | Category of Employees | Married Employee | Un-married Employee |
|---------------|------------------------------|---|--|
| 1 | BPS-17 to BPS-20 | 90% of running basic pay. Remaining 10% would be pooled in Medical Welfare Fund | 45% of running basic pay. |
| 2 | BPS-1 to BPS-16 | Rs.3,000 or one month running pay which ever is higher. | 50% of the amount admissible to married employees. |

Since PARC Employees (Medical Attendance and Treatment) Regulations, 1990 and letter dated 30 June 1994 were not issued with approval of Government of Pakistan therefore payment on account of medical allowance made to the employees w.e.f. 01 July 1999 to 30 June 2003 amounting to Rs.11.93 Million is considered as irregular and un-authorized. The payment of cash medical allowance was also objected upon by the Finance Division (F.A's Organization) vide U.O. No.1(12)-DFA(F&A)/2003 dated 12 July 2003.

Departmental Reply

It was replied that PARC Employees (Medical and Treatment) Regulations 1990 have been approved by the Government of Pakistan and notified in Gazette of Pakistan vide SRO No.276 (I)/90 dated March 21, 1990. Hence the payment made on account of Medical Expenditure is in order. As for as payment of Medical Allowance to the Employees is concerned the case has already been submitted to the Ministry of Finance through Ministry of Food Agriculture and Livestock for amendment in PARC Employees (Medical Attendance and Treatment) Regulation 1990. The outcome of this case will be shown to next audit on its receipt. The position was not accepted during the meeting with Secretary, MINFAL who decided to stop the payment forthwith and either recover the already paid amount or get the same regularized.

CONCLUSION

In the absence of approval of Health and Finance Division to the PARC (Medical Attendance and Treatment) Regulation 1990 expenditure of Rs.25.99 Million is not covered under the rules.

CIVIL AUDIT REPORT 2011-12

Para No. 4.1.4 Un-necessary procurement of 450 KG seed of Salicornia lying un-used – Loss of Rs. 6.75 million

“During review of record on Pakistan Agricultural Research Council (PARC) Islamabad for the years from 2005-06 to 2009-10, audit observed that a project titled Salicornia Biofuel Project (SBP) was approved by the CDWP on 30-04-2009 with total cost of Rs.125.00 million including Rs.10.00 Million as foreign exchange for a period of 36 months. The total cost included Rs.13 million for the purchase of seed in 3 years. The project was designed to undertake Salicornia cultivation on 15000 acres at the coastal area of Pakistan. The management of PARC purchased 500 kg from M/s Green Garden Co. Limited Yancheng City, JiangSu China under an MoU dated 27-08-2009 and paid Rs.7.50 million vide Cheque No. 639402 dated 18-11-2009”.

Audit noted that:-

1. International tender was not floated is a violation of rule 12 of PPRA.
2. As per PC-I the total allocation for the first year was Rs.4.00 million for the purchase of seed/consumable store. An expenditure of Rs 7.50 million was incurred in the first year for the purchase of seed which was Rs.3.5 million over and above the PC-I allocation and not covered under the rules.
3. The seed reached Karachi on 12-12-2009.

4. The government of Sindh agreed on 25-11-2009 to handover 100 acre of land belonging to Singh Coastal Development authority (SCDA). No MoU was signed by the PARC with the SCDA for the propriety right of land.
5. Out of 500 kg only 50kg seed was shown on 20 acres out of 100 acres of land developed at Deh Khattani Kun, district Thatta. Balance of 450 kg seed was stored in a private cold store and not utilized up to 31.03.2011.
6. Approval from Federal Seed Certification and Registration Department (FSC & RD), National Bio-Safety Committee (NBC), Department of Plant Protection (DPP) and Provincial Seed Council as required under the rule, was not obtained before cultivation of Salicornia seed on the project site.

Audit holds that due process for purchase of Salicornia was not adopted. Necessary arrangements before making purchase of seed and after arrival of seed were not made.

Audit maintains that due to non-utilization of procured seed, the exchequer was put to a loss of Rs.6.750 million (Rs.15000x450kg). The expenditure of Rs.3.5 million for the first year of project life was over and above the approved PC-I allocation. Project funds were not utilized keeping in view the aspect of economy.

The department replied that during the first (2009-10), the seed and land became available in December 2009, whereas the sowing season (October and November) was already over. Therefore, only 50 kg seed was sown immediately, the reminder was left in cold storage for future utilization. The existed allocation of Rs.7.50million for purchase of seed in PC-I under code 62-36 during the first year, hence no extra expenditure was incurred in this regard. The project is being windup. No comments can be offered on prior clearance from related departments.

The departmental reply is not cogent. The management was required to purchase seed keeping in view the sowing season to save seed and national exchequer. The state of affairs indicates that the management did not take prudent decision in this regard.

Audit recommends that the matter be investigated responsibility be fixed.

CIVIL AUDIT REPORT 2014-15

Para No. 25.4.1 Non production of record of 269 re-instated employees

Section 14(2) of Auditor General's (Functions, Powers and Terms & Conditions of Services) Ordinance 2001, states that the officer in-charge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with all reasonable expedition.

Section 14(3) of Auditor General's (Functions, Powers and Terms & Conditions of Services) Ordinance 2001, states that any person or authority hindering the auditorial functions of the Auditor General regarding inspection of accounts shall be subject to disciplinary action under relevant efficiency and discipline rules, applicable to such person

The management of PARC, Islamabad reinstated and regularized the services of 269 employees in June & July, 2012.

Audit was not in a position to authenticate that how many individuals were actually reinstated and whether the individuals reinstated met the eligibility criteria for the posts, as the relevant record was not provided to Audit.

Audit is of the view that in the absence of auditable record, audit could not ascertain the authenticity of the regularization of the employees and subsequent to salaries. The management did not reply.

The PAO was informed on 30-12-2014 and 16-01-2015, but DAC was not convened till the finalization of the report.

Audit recommended that responsibility should be fixed for hindering the auditorial functions of the Auditor General of Pakistan besides production of record to Audit.

Para No. 25.4.3 Irregular grant of 40% income tax rebate Rs. 2.038 million

Clause-2 of Part-III of the second schedule of income tax ordinance, 2001 states that the tax payable by a full time teacher or a researcher, employed in a non-profit education or research institution duly recognized by Higher Education Commission, a Board of Education or a University recognized by the Higher Education Commission, including government training and research institution, shall be reduced by an amount equal to 40% of tax payable on his income from salary.

The management of PARC deducted income tax from the salaries of the employees amounting to Rs. 2.574 million (60%) during 2013-14.

Audit observed that the management only 60% of the income tax payable and granted 40% rebate in tax liability, amounting to Rs. 2.038 million.

Audit is of the view that a grant of 40% rebate in Income Tax liability was irregular and unauthorized because PARC was not recognized by the Higher Education Commission, a Board of Education or a university recognized by the Higher Education Commission.

Audit is of the view that the reduction in the tax liability deprived the government of its due receipt.

The management did not reply.

The PAO was informed on 30.12.2014 and 16.01.2015, but DAC was not convened till the finalization of the report.

Audit recommends that reduction in tax liability may be discontinued forthwith while the income tax due may be recovered from the employees and deposited into the government treasury. The unauthorized rebate for the previous years may also be calculated, recovered and deposited into the government treasury.

CIVIL AUDIT REPORT 2016-17

Para No. 15.4.1 Payment of Special Research Allowance and Additional Special Research Allowance to employees who were working at PARC Headquarter – Rs. 12.695 Million

Para 12 of OM No. F.2-27/2006-ARW dated 18-10-2007 regarding Special Research Allowance pay scales (SPS) 2007 issued by PARC, for its employees states that Special Research Allowance (SRA) @ 30% of the minimum of the SPS-2007 will be admissible to the Scientists (possessing degree in the scientific disciplines related with agriculture) and Para Scientific Staff on performance subject to the conditions specified by the Council.

Para 13 on OM NO. F.2-27/2006-ARW dated 18-10-2007 regarding Special Pay Scales (SPS) 2007 issued by PARC, for its employees states that Additional Special Research Allowance

(ASRA) @ 20% of the minimum of the SPS-2007 will be admissible on performance to Scientists (possessing degree in the scientific disciplines related with agriculture) in SPS-7 & above subject to the fulfillment of the prescribed qualification / conditions, to be notified.

Finance Division OM No. F.4(8)R.4/2008 dated 14-02-2009 (Revision of Pay Scales and Allowance of executive / supervisory staff of PARC w.e.f. 01-07-2008) states that all existing rules / orders on the subject shall be deemed to have been modified to the extent indicated above. All existing rules / orders not so modified shall continue to be in force under the scheme.

The management of PARC (HQ), Islamabad paid Rs. 12.695 million on account of Special Research Allowance and Additional Special Research Allowance to the scientists during 2014-15 who were working at PARC H/Q;

Audit observed that:

- i. The Posts of Headquarter were not meant for conducting research work.
- ii. As per expenditure statement the total expenditure of SRA & ASRA was Rs. 12.695 million whereas vouchers of Rs. 11.201 million were produced to Audit. Thus, there was a difference of Rs. 1.494 million were not provided.

Audit is of the view that prescribed rules in this regard were not observed resulting in overpayment which was irregular.

The management replies that the payment of Special Research Allowance and additional Special Research Allowance on the minimum running basic time scale prevailing for period was made with the approval of Chairman.

The PAO was informed on 20-04-2016, but DAC was not convened till the finalization of the Report.

Audit recommends that the irregular practice should be discontinued forthwith besides recovery.

Para No. 15.4.3 Recovery of 40% rebate granted on Income Tax – Rs. 3.327 million

Clause -2 of Part-III of the second schedule of Income Tax Ordinance, 2001 states that the tax payable by a full time teacher or a researcher, employed in a non-profit education or research institution duly recognized by Higher Education Commission, a Board of Education or a university recognized by the Higher Education Commission, including government training and research institution, shall be reduced by an amount equal to 40% of tax payable on his income for salary. The management of PARC, Islamabad deducted Income Tax from the salaries of 70 scientists working at PARC Headquarter by allowing them 40% rebate during 2014-15.

Audit observed that:

- i. The management deducted Rs. 4,989,843 (60%) of the income tax payable for 70 scientists and granted 40% rebate (Rs. 3,326,562) in tax liability.
- ii. The officer working at PARC Headquarters were performing the administrative and secretariat duty and were not full time researchers.

Audit is of the view that allowing reduction in tax liability was admissible to full time researchers only. Unauthorized allowing of tax rebate deprived the Government of its due receipt of Rs. 3,326,562.

The management replied that 40% rebate was granted to 69 scientists of PARC during 2014-15. PARC is apex agriculture research department and it is expended in all over the country and its offices are located in all Provinces. All research activities are managed and supervised by PARC HQs. For this purpose, scientists are sitting in PARC HQs.

The PAO was informed on 20-04-2016, but DAC was not convened till the finalization of the Report.

Audit recommends that allowing reduction in tax liability was admissible to full time researchers only, recovery be affected from the concerned and deposited into Federal Treasury. PARC justified that;

The actual position of 40% tax rebate granted to the 69 scientists of the PARC HQ during the year 2014-15 is as under:-

| Total Tax for the year | 40% Tax Rebate | Tax Paid |
|-------------------------------|-----------------------|-----------------|
| 7,962,001 | 3,184,806 | 4,777,195 |

Para No. 15.4.6 Wasteful expenditure on fish processing and cold chain development - Rs. 32.58 Million

GFR 10 states that every officer incurring or authorizing expenditure from public funds should be guided by high standards of financial propriety.

The management of NARC executed a Development sub Project titled “Pilot Project on Fish Processing and Cold Chain Development” under RADP during 2014-15. The estimated cost of the project was 40.740 million against which expenditure of Rs. 32.58 million was incurred during said period. The expected outcomes / impact of the project were as under:

1. Development of quality fish products of Fisheries Development Board (FDB) and aquaculture and fisheries program (AFP) / PATCO for high end consumer of Islamabad and Rawalpindi.
2. Capacity building and strengthening of Fisheries Development Board and NARC for provision of training and service delivery to its stakeholders.
3. Show casing a model cold-chain along the fish supply line.
4. Awareness raising for health benefits of quality fish consumption.

All the machinery items for the project were procured and installed in October 2014. The capacity of the machinery installed was to process one ton fish/day.

Audit observed as under:

1. The fish processed during one year i.e 2014-15 was total 5 tons,
2. The expected outcomes from Sr. 2 to 4 were also not achieved as neither a cold chain for supply of fish to the plant and sale of finished product in the market was developed nor was market for the sale of product was captured.
3. The profit earned from commercial operation was not intimated.
4. The utility charges were incurred from the regular budget the amount for which was also not intimated.
5. Rs. 4.1 million was incurred on repair of fishery plant building. The detailed record was not provided.
6. File of the administrative approval of the project was not produced.

Audit is of the view:

1. The project did not achieve its objectives and the reason for which were not recorded.
2. The expenditure to strengthen commercial organization was not due and admissible to be met from the public exchequer.
3. In the absence of the complete record the authenticity of the remaining expenditure cannot be ascertained.
4. Due to non-functioning of equipment there is probability of the wastage of public money.

The management replied that production of finished products should be considered in view of demand and supply by the consumers. Being the new product for the local market only a demand

of 5 ton was generated. The fish processing plant has been established in Pakistan for the first time. The facility is developed to help farmers to diversify fish products.

The reply was not accepted because neither a cold chain for supply of fish to the plant and sale of finished product in the market was developed nor market for the sale of product was captured which resulted in low demand from the consumers as well as from farmers.

Audit recommends that responsibility for the expenditure may be fixed for the irregularity.

Para No. 15.4.8 Non Deposit of Tuition Fee into Government Account Rs.8.521 million

Treasury Rules-7 states that Government receipts may be deposited into Government Account as they occurred.

Para 25 GFR All Departmental regulations in so far as they embody orders or instructions of a financial character or have important financial bearing should be made by, or with the approval of, the Ministry of Finance

PARC Institute of Advanced Studies in Agriculture (PIASA) charged tuition fee @ Rs.5000 and 15000 from the students and total collection for the period 2008-15 amounting to Rs.8,520,550 was deposited into university's student fund account bearing number 0700-4 being maintained in NBP, NIH branch, Islamabad.

Audit observed that local management instead of depositing the fee into Government Account, deposited whole amount of tuition fee into student fund account and utilized for salaries lecture fee etc without approval of the finance division.

Audit is of the view that deposit of tuition fee into student fund account and its utilization was unauthorized.

The management replied that PIASA has been got affiliated with Agriculture University, Peshawar in pursuance of HEC directives. The University/affiliated institutions keep the fund with themselves, therefore, receipt has been kept in separate account.

The reply was not accepted because funds were retained without the approval of the Finance Division.

Audit recommends that responsibility may be fixed for the irregularity and fees collected may be deposited into government treasury.

Para No. 15.4.9 Irregular and unauthorized allotment of space/land to the Sohni Dharti TV

Para 26 GFR states that subject to any special arrangement that may be authorized by competent authority with respect to any particular class of receipts, it is the duty of the departmental Controlling officers to see that all sums due to Government are regularly and promptly assessed, realized and duly credited in the Public Account.

PARC Agro Tech Company (Pvt) Ltd (PATCO) made a MOU with M/s Sohni Dharti Television owned and operate by the Tilton Pvt Ltd on 1st February 2012 with the objective that PATCO will disseminate the research based scientific solution and knowledge to the farming community of Pakistan with the help of Sohni Dharti TV. The management also issued NOC to the TV in 20 may 2015 for 20 KV electricity connection from IESCO. The channel installed a booster near NIGAB building

Audit observed as under:

- i. The space was provided without any administrative approval from the competent forum and fair competition amount all such TV Networks with the complete detail.
- ii. Management did not receive any rent and electricity charges from the TV.
- iii. detailed term and condition of the MOU were not provided

Audit is of the view that provision of space to a private company was unauthorized and a favoritism.

The management replied that MOU was signed with M/s Sohni Dharti TV upon receipt of request from its CEO through Ministry. Case for recovery of rent has been initiated and Audit will be informed in due course of time.

The reply was not accepted because land was allocated without open competition. Further, the management accepted that the rent was not recovered.

Audit recommends that responsibility for provision of land and space without fair competition may be fixed besides recovery of rent and other utility charges.

Para No. 15.4.11 Concealment of the record and suspected misappropriation of receipt of Murree Hostel Rs. 21.900 million

Section 14 (2) of Auditor General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001 states that the officer in-charge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with all reasonable expedition. Section 14(3) of the Ordinance further states that any person or authority hindering the auditorial functions of the Auditor General regarding inspection of accounts shall be subject to disciplinary action under relevant Efficiency and Discipline Rules, applicable to such person.

Para 26 of GFR states that it is the duty of the departmental Controlling officers to see that all sums due to Government: are regularly and promptly assessed, realized and duly credited in the Public Account.

The management of NARC was requested to provide the list of hostels/rest houses alongwith room capacity and occupancy and also the receipt there against.

The management provided the incomplete record regarding one guest house and two hostels i.e. **I** Hostel and **J** Hostel. The charges for the one room of the Guest House for one day were fixed @ Rs. 3,000

Audit observed as under:

- Physical verification shows that the management was also maintaining a hostel at Murree with four furnished bed rooms with two kitchens and two dining halls.
- The management was also maintaining a women hostel in the NARC premises
- The receipt and expenditure record / the detail of occupancy were not produced to Audit.

Audit is of the view that the management hindered in the auditorial functions of the Auditor General of Pakistan by not providing the complete record in the absence of which the authenticity of the accounts cannot be ascertained and the probability of misappropriation cannot be ruled out.

The management in their reply has accepted the existence of these hostels. The record of these hostels was provided to Audit and can be further presented on demand.

The reply was not accepted because no record in support of reply was produced.

Audit recommends that responsibility for non production of record may be fixed and matter may be investigated for recovery of rental receipts.

Para No. 15.4.12 Un-necessary expenditure on procurement of olive plants Rs. 49.101 million

Para 10 of General Financial Rules states that every officer incurring or authorizing expenditure from public funds should be guided by high standards of financial propriety.

The management of NARC started a development project titled "Promotion of Olive Cultivation for Economic Development and Poverty Alleviation" during 2014-15 with a cost of Rs. 2,444.545 million. As per PC-I, olive plants will be distributed for plantation of 50000 acres of land of provinces and FATA. During March & April 2015, management purchased 190000 plants @ Rs. 262.900 for Rs. 49.101 million. As per stock register the distribution of the plants was as under:

| S.No | Date | Plants issued to | Quantity | Amount |
|--------------|------------|-------------------|---------------|-------------------|
| 1 | 14.03.2015 | NRSP Punjab | 5000 | 1,314,500 |
| 2 | -do- | ARI Baluchistan | 7000 | 1,840,300 |
| 3 | -do- | BARDC Balochistan | 8000 | 2,103,200 |
| 4 | -do- | Major Fateh | 3000 | 788,700 |
| 5 | -do- | Col Khalid | 3000 | 788,700 |
| 6 | 19.03.2015 | NARC | 4000 | 1,051,600 |
| 7 | 31.03.2015 | NRSP Punjab | 7000 | 1,840,300 |
| 8 | -do- | Punjab | 4000 | 1,051,600 |
| 9 | -do- | KPK | 5000 | 1,314,500 |
| 10 | -do- | DI Khan | 7000 | 1,840,300 |
| 11 | -do- | Kohat | 8000 | 2,103,200 |
| 12 | -do- | FATA | 5000 | 1,314,500 |
| 13 | -do- | ARI Baluchistan | 6000 | 1,577,400 |
| 14 | -do- | BRDC Baluchistan | 7000 | 1,840,300 |
| 15 | -do- | NARC | 16000 | 4,206,400 |
| 16 | 27.04.2015 | NARC | 95000 | 24,975,500 |
| Total | | | 190000 | 49,951,000 |

Audit observed as under:

1. The acknowledgement of the 75000 distributed plants and their farmer wise plantation record was not provided.
2. The balance 115000 olive plants remained undistributed with NARC.
3. Another foreign Aided Development Pakistani-Italian Debt for Development Swap Agreement (PIDSA) at a cost of Rs. 382.153 million was started in March, 2012 and was still on going against which 273000 olive plants were purchased between, January 2013 to April 2014. The new project was started before the maturity of the 273000 plants already distributed in 2013 and also taking into account their fruiting and oil receipt results.
4. The plants purchased in this project were at very high price as compared to those purchased in PIDSA.

5. The plants are to be distributed in the provinces but the demand / requirements received from the provinces/FATA were not in the record.
6. The FATA secretariat started its own development project “Plantation of Improved Olive Plants” with a cost of Rs. 400 million during 2006-15. The KPK Government started its project Titled “Research and Development on European olive” with a cost of Rs.100 million and Punjab Government had the project titled “Standardization of Olive Propagation and its value addition techniques” with a cost of 22 million during 2010-14.

Audit is of the view that starting of new project without considering the results of previous plantations, without consulting Provincial Governments and determining the actual requirements the objectives of the project could not achieved.

The management replied that plants were purchased through open competition and as per rates quoted by suppliers. List of distribution of plants was available. Further, start of similar projects by other Provinces is a welcoming initiative.

The reply was not accepted because no record was produced in support of the reply and project was started without consultation of Provincial Governments.

Audit recommends that matter should be investigated.

CIVIL AUDIT REPORT 2019-20

Para No. 27.5.1 Non-reduction of strength of regular employees-Rs.4,200.285 million

The Prime Minister approved Special pay scales (SPS), for employees of PARC on 13.09.2007 with the direction that PARC should maintain a bare minimum core staff on regular basis and the rest would be on the contract while Finance Division considered that the core staff should not exceed 30% of the total strength of the PARC within the next two years.

The Basic Pay Scales, of Pakistan Agriculture Research Council (PARC) employees were replaced with Special Pay scales (SPS) w.e.f 01.07.2007. Before allowing SPS, 2,449 employees were on the regular strength of PARC. The management paid Rs.2,185.935 million and Rs.2,014,350 during 2017-19 on account of Pay & Allowance.

Audit observed that at present 2821 employees are on the regular strength which shows that management failed to fulfill the condition imposed by the Government for allowing SPS to 30% of 2,449 employees. This approval of SPS for PARC also showed that the services of 70% of the workers would be on contract and reduction in the regular strength of the employees was required to be made within two years i.e. up to June, 2009.

Neither management neither replied nor was DAC convened till finalization of report.

Audit recommends inquiry to fix the responsibility.

Para No. 27.5.2 Irregular retention of recoveries of allowances -Rs.13.993 million

Rule 7(1) of FTR states that no department of the Government may require that any moneys received by it on account of the revenues of the Federal Government be kept out of the Federal Consolidated Fund of the Federal Government.

PARC deducted an amount of Rs.13.993 on account of over payment of Special Research Allowance (SRA)/Additional Special Research Allowance(ASRA) from the employees retired from service during the year 2017-19 and transferred into PARC pension bank account.

Audit observed that instead of depositing the amount in government treasury the same was retained in a bank account without any justification.

Audit is of the view that due to retention of recovered amount, the government was deprived of its due share of receipts which was irregular.

Neither management replied nor was DAC convened till finalization of report.

Audit recommends depositing of amount into the Government treasury.

Para No. 27.5.3 Non-recovery of allowances paid over and above the approval - Rs.72.253 million

Special pay scales (SPS) 2007, for the employees of Pakistan Agriculture Research Council (PARC) state that Special Research Allowance(SRA) @ 30% of the minimum of the SPS-2007 will be admissible to the Scientists (possessing degree in the scientific disciplines related with agriculture) and Para scientific staff on performance subject to the conditions specified by the Council. Additional Special Research Allowance (ASRA) @ 20% of the minimum of the SPS-2007 will be admissible on performance to scientists (Possessing degree in the scientific disciplines related with agriculture) in SPS-7 & above subject to the fulfillment of the prescribed qualifications/conditions, to be notified.

Finance Division O.M.No.F.4 (1) R.4/2016 dated 20.07.2016 clarified that Special Research Allowance and Additional Special Research Allowance were frozen at the level of minimum of SPS-2007.

PARC and NARC, Islamabad paid SRA/ASRA to its employees for the period 2008-16 at minimum of the revised SPS-2008&2011.

Audit observed that management paid SRA/ASRA to its employees at minimum of the revised SPS-2008&2011 instead of minimum of the SPS 2007 as the rates of SRA&ASRA were not revised by the Finance Division in the revision of SPS. On receipt of clarification from Finance, the management of PARC and NARC worked out Rs.12.063 million and Rs.60.190 million respectively as recovery of SRA/ASRA for the period 01.07.2011 to 31.12.2014. Neither the actual overpayment w.e.f.01.07.2008 was worked out nor recovery was made so far after a lapse of more than three years without any justification.

Audit is of the view that non-recovery of overpayment of both allowances despite receiving of clarification from Finance Division was failure on the part of the management.

Neither management replied nor was DAC convened till finalization of report.

Audit recommends that recoveries of over payments may be made.

Para No. 27.5.4 Receipt of foreign grants without approval of Federal Government - Rs.119.063 million

Section 18 (2) of PARC Ordinance 1981 states that the funds of the Council shall consist of (a) grants made by the Federal Government and the Provincial Governments; (b) grants, donations, endowments, contributions, aid and assistance given by other organizations; (c) foreign aid and loans obtained or raised with the approval of the Federal Government; and (d) receipts from other sources.

Rule-7(1) of Rules of Business, 1973 states that assessment of requirements; programming and negotiations for external economic assistance from foreign Governments and organizations rest with Economic Affairs Division.

PARC made several agreements/ memorandums of understandings for generating foreign contributions/ economic assistance. An amount of Rs.119.063 million was received by the PARC against different assignments and Rs.118.028 million was released to different centers/individuals working under the ambit of PARC only during the year 2017-19.

Audit observed that all the agreements/memorandums were signed with international donors/organizations without approval of Federal Government and vetting by the Law Division. Complete list of MOUs was not provided to audit.

Audit further observed that management did not make grant in aid a part of fund account which facilitated withdrawal of Rs.6.150 million by Dr. Zubair Anwar, PSO, SSD an employee of PARC during the year 2017-19 but cashbook and utilization of the amount was not available.

Neither management replied nor was DAC convened till finalization of report.

Audit recommends that matter may be inquired and responsibility be fixed besides taking corrective measures.

Para No. 27.5.5 Source of retained amount not disclosed to audit -Rs.75.353 million

Section 18 (2) of PARC Ordinance 1981 states that the funds of the Council shall consist of (a) grants made by the Federal Government and the Provincial Governments; (b) grants, donations, endowments, contributions, aid and assistance given by other organizations; (c) foreign aid and loans obtained or raised with the approval of the Federal Government; and (d) receipts from other sources.

PARC is maintaining a Pak Agri Research Council grant in aid development account No. 412-4 (4004629321) in NBP, F-7/2 branch, Islamabad for retaining and utilizing receipts of foreign grants/aid since long.

Audit observed that an amount of Rs.75.353 million was available in the bank account as on 30.06.2017. Neither source of the retained amount was shared with audit nor made it part of fund account in accordance with the Ordinance. In the absence of source of retained amount Audit could not ascertain its authenticity.

Neither management replied nor was DAC convened till finalization of report.

Audit recommends that source of retained amount be provided to audit.

Para No. 27.5.6 Medical Allowance paid over and above the approved rates -Rs.205.156 million

Finance Division at para-12 of the summary dated 2007 did not support the proposals made at Para-9(b) to authorize Board of Governors of the Council to make amendment in the scales of pay and allowances.

The employees of PARC were allowed Medical Allowance @ 20% of the minimum of the scale of the pay SPS-2007 and the same was frozen. However, the BOG kept on revising with every increase in 2008, 2011, 2015, 2016 and 2017.

Audit observed that enhancement of rate of medical allowance by BOG without approval of Finance Division was irregular and resulted in overpayment of Rs.205.156 million.

Neither management replied nor was DAC convened till finalization of report.

Audit recommends fixing of responsibility for the unauthorized payment.

**Para No. 27.5.7 Enhancement of hiring rates without concurrence of Finance Division-
Rs.407.571 million**

Finance Division at para-12 of the summary dated 2007 did not support the proposals made at para-9(b) to authorize Board of Governors of the Council to make amendment in the scales of pay and allowances.

PARC paid hiring to its employees incorporating the increases made by the Ministry of Housing and works from time to time for the Federal Government employees drawing their salaries on Basic Pay Scales. PARC incurred expenditure of Rs.325.350 million and NARC incurred expenditure of Rs.82.221 million on this account during financial year 2017-19.

Audit observed that hiring of private accommodation for residential purpose for officers and staff of PARC and NARC employees was made over and above the rates approved by Finance Division since 01.01.2008. The rates of hiring were increased by 204% as compared to the originally approved rates by the Finance Division.

Audit further observed that rate of rental ceiling for PARC employees is neither equivalent or at par with Federal Government employees nor with the employees drawing pay & allowance under SPS pay Scales in other organizations.

Audit is of the view that payment of rental ceiling on enhanced rates without approval of the Finance Division is irregular.

Neither management replied nor was DAC convened till finalization of report.

Audit recommends fixing of responsibility for the unauthorized payment.

Para No. 27.5.8 Irregular payment of Mobile Phone Allowance -Rs.10.849 million

Cabinet Division vide O.M. dated 15.04.2016 conveyed the approval of the Prime Minister for payment of mobile charges as an allowance through salary to all entitled regular employees working in the Ministries/Divisions in BPS-17-22 w.e.f.01.04.2016.

PARC and NARC, Islamabad paid monthly Mobile Phone Allowance to its officers in SPS 07-12 w.e.f. 01.04.2016. A sum of Rs.2.799 and Rs.8.050 million was incurred by the PARC and NARC during the year 2017-2019 & 2016-19 respectively on payment of mobile ceiling allowance to its employees.

Audit observed that the officers of PARC/ NARC were not entitled to avail the facility of Mobile Phone Allowance. In accordance with the instructions of Cabinet Division, only the officers of the Ministries/Division working on regular basis are entitled for Mobile Phone Allowance.

Neither management replied nor was DAC convened till finalization of report.

Audit recommends that payment of Mobile Phone allowance may be recovered besides fixing of responsibility.

**Para No. 27.5.9 Investment of surplus funds without competitive bidding -Rs.686.737
million**

Section-21 of Pakistan Agriculture Research Council Ordinance 1981 states that subject to such instructions as the Federal Government may, from time to time issue, the Council may invest its funds in any security of the Federal Government or a Provincial Government or in any of the securities enumerated in section 20 of the Trusts Act, 1882.

According to Finance Division O.M. dated 02.07.2003, investment of working balances/surplus funds be made subject to fulfillment of various requirements such as investment in 'A' rating banks, working balance limit of each organization be determined with the approval of administrative Ministry in consultation with Finance Division and competitive bidding process. Investment exceeding Rs.10 million shall not be kept in one bank, setting up of in-house professional treasury management functions, formation of Investment Committee, employment of qualified investment management staff, utilization of services of professional fund managers approved by SECP, annual certificate of the Chief Executive of the organization, etc.

PARC invested Rs.686.737 million in TDR in National Bank PARC, Branch, Islamabad and DSC in National Saving Centre, Islamabad. Details are as under:

| S.No. | Title and Account | TDR Amount | DSC Amount | Total Amount |
|--------------|-----------------------------|------------|------------|--------------|
| 1. | GPF (A/c # 1321-3) | 495 | 15 | 510 |
| 2. | B.Fund (A/c # 1651-3) | 105 | 15 | 120 |
| 3. | CPF (A/c # 1176-9) | 0 | 0 | 0 |
| 4. | G. Insurance (A/c # 1650-4) | 35 | 10 | 45 |
| 5. | Welfare Fund (A/c # 2166-9) | 8 | 3.737 | 11.737 |
| Total | | 643.000 | 43.737 | 686.737 |

Neither management neither replied nor was DAC convened till finalization of report.

Audit recommends inquiry for fixing the responsibility.

Para No. 27.5.10 Unauthorized creation and appointment of Whole Time Member (Coordination and Monitoring)

In terms of Section 6 to 11 of the PARC ordinance 1981, the President of Pakistan reconstituted the Board of Governors of PARC comprising of five whole time members vide notification dated 10.01.2014 which includes Member (Animal Sciences), Member (Plant Sciences), Member (Social Sciences), Member (Natural Resources), Member (Finance).

Audit observed that the 6th post of a whole-time member (coordination and monitoring) was created in violation of ordinance and composition constituted by President of Pakistan.

Neither management replied nor was DAC convened till finalization of report.

Audit recommends inquiry to fix responsibility.

Para No. 27.5.11 Non-disclosure of bank accounts and irregular release of retention of foreign/grant in aid -Rs.52.393 million

Rule 668 of FTR Vol-I states that advances granted under special orders of competent authority to Government officers for departmental or allied purposes may be drawn on the responsibility and receipt of the officers for whom they are sanctioned, subject to adjustment by submission of detailed accounts supported by vouchers or by refund, as may be necessary.

PARC management received GBP 54,170 as installment under grant in aid project titled "Medicinal & Aromatic Plant of Pakistan" from Royal Botanic Garden (RBG) Kew, UK and was further released in equivalent of Rs.10.012 million to Dr. SaderUddin, CSO/Curator on 27.06.2019. Similarly, PARC released an amount of Rs.42.381 million during the year 2017-19 to

NARC employees on account of 17 different assignments out of the grant in aid received in foreign and local currencies.

Audit observed that funds received in foreign currency were released to employees of NARC but details of bank account opened for foreign currency through which the releases were made was not provided. Neither MOU/agreement made with the donor agency was shown nor adjustment of the released amount was provided.

Audit is of the view that the issuance of funds in favor of employees was irregular and in the absence of agreement and adjustment record, the released amount is unauthentic.

Neither management replied nor was DAC convened till finalization of report.

Audit recommends that matter may be inquired and responsibility be fixed.

Para No. 27.5.12 Irregular maintenance of bank account and non-adjustment of releases -Rs.21.189 million

Rule 668 of FTR Vol-I states that advances granted under special orders of competent authority to Government officers for departmental or allied purposes may be drawn on the responsibility and receipt of the officers for whom they are sanctioned, subject to adjustment by submission of detailed accounts supported by vouchers or by refund, as may be necessary.

NARC management is receiving funds on account of different assignments from PARC out of the grant in aid received in foreign and local currencies. An amount of Rs.21.189 million was received during the year 2017-19 on account of 10 different assignments.

Audit observed that the released amounts were retained by the management in a bank account maintained in the name of Director Administration, NARC but bank accounts where the amounts were released was not disclosed to audit. Neither MOUs/agreements made with the contributor organizations were shown nor adjustment of the released amount was provided.

Audit is of the view that the maintenance of bank account without obtaining the approval of Finance Division was unauthorized while non-disclosing of bank account and in the absence of adjustment record; the authenticity of the released amount could not be established.

Neither management replied nor was DAC convened till finalization of report.

Audit recommends that matter be inquired and responsibility be fixed.

Para No. 27.5.13 Less recovery of gas charges from residents of NARC colonies - Rs.11.862 million

Rule 28 of GFR Vol-I states that no amount due to Government should be left outstanding without sufficient reason, and where any dues appear to be irrecoverable the orders of competent authority for their adjustment, must be sought.

National Agricultural Research Centre (NARC), Islamabad incurred an expenditure of Rs.16.231 million on monthly gas and water bills for the residents of NARC colonies during 2018-19.

Audit observed that management did not recover Rs.11.862million from 194 occupants on account of gas and water charges.

Neither management replied nor was DAC convened till finalization of report.

Audit recommends that measures be taken to eliminate the loss.

Para No. 27.5.14 Non-deposit of utility charges -Rs.10.532 million

Rule 7(1) of FTR Vol.-I states that all Government receipts should be deposited into Government account and all moneys received shall not be appropriated to meet departmental expenditure.

NARC, Islamabad provides gas and water to its employees residing in the Colonies. The Directorate Works & Estate Management (W&EM), NARC issues monthly bills to residents who directly deposit gas and water bills amount with the cashier NARC and he deposit the entire amount into the Director (Admn) NARC bank account No.044-9.

Audit observed that payment of Rs.10.532 million for bulk supply of gas and water to SNGPL and WASA/RDA was made from Assignment Account 2131-0, whereas recoveries of utility charges of Rs.3.210 million made from the employees were not deposited into Government Treasury and the remaining amount of Rs.7.310 million has not been recovered at all.

Neither management replied nor was DAC convened till finalization of report.

Audit recommends that complete recovery of utility charges and depositing the same into Government treasury.

Para No. 27.5.15 Non-deposit of auction money of vehicle and unserviceable items into Government Treasury -Rs.15.967 million

Rule 7 of FTR Volume-I states that all moneys received on behalf of Government on account of revenues shall without delay be paid in full into Government Treasury and Government receipts should not be utilized towards expenditure.

NARC, Islamabad auctioned fifteen (15) off-road vehicles and received an amount of Rs.6.110 million during 2017-18. Similarly, NARC realized Rs.6.964 million and Rs.2.893 million through auction of 18 vehicles and unserviceable items respectively during the audit period 2018-2019.

Audit observed that the management retained the receipts instead of depositing into government treasury.

Neither management replied nor was DAC convened till finalization of report.

Audit recommends enquiry to fix responsibility besides depositing the amount in treasury.

Para No. 27.5.16 Non-depositing of recoveries into Government Treasury - Rs.6.371 million

Section 18 (2) of PARC Ordinance 1981 provides that the funds of the Council shall consist of (a) grants made by the Federal Government and the Provincial Government; (b) grants, donations, endowments, contributions, aid and assistance given by other organizations; (c) foreign aid and loans obtained or raised with the approval of the Federal Government; and (d) receipts from other sources.

NARC collected/deducted Rs.6.371 million on account of private use of official vehicles from their employees during the audit period 2018-19.

Audit observed that the management collected/deducted the amount on account of private use of official vehicles from its employees but the amount was retained and not deposited into the Government treasury.

Neither management replied nor was DAC convened till finalization of report.
Audit recommends that recoveries be deposited into Govt. treasury.

Para No. 27.5.17 Non-procurement of aqua feed processing unit -Rs.15.412 million

The PC-I of the PSDP funded project “Aqua feed Production in Pakistan for Commercially Important Culturable Fishes” provides for construction of building for installation of fish feed mill and establishment of fish feed processing unit in NARC.

The project was approved by DDWP on 19.09.2013 with a capital cost of Rs.55.307 million for a period of five years. First release of funds was received on 04.01.2016. The PC-I of the project was revised on 08.08.2017 with a revised cost of the project i.e. Rs.59.332 million with the completion date 30.06. 2018. The project management of NARC incurred an expenditure of Rs.15.412 million during 2015-18 on construction of the buildingRs.8.519 million.

Audit observed that building was constructed for installation of feed production unit but the same was never procured despite the fact that sufficient funds were allocated and released for the purpose.

Audit further observed that project has been closed and the management has prepared PC-IV of the project without achieving the objectives.

Neither management replied nor was DAC convened till finalization of report.

Audit recommends that matter may be investigated to fix responsibility.

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Para No. 22.5.4 Irregular exercise of powers by the Board of Governors over and above the approved Regulations, 2006

Section-5(b) of PARC (Board of Governors) Financial and Administrative Powers Regulations, 2006 states that the appointment of scientists, officers and employees of the council, their terms and condition of service, pay and allowances and other benefits including pension, disciplinary procedures, recruitments, retirement and termination of staff, creation and up gradation of posts and determination of the optimum size of human resource for efficient operations requires consultation and concurrence of Establishment and Finance Division.

The management of PARC submitted a summary together with draft regulations for BOG and Executive Committee for all administrative and financial matters including on-time settlement of all pending cases of pension & pay fixation and study leave to Prime Minister through Ministry of Finance. The Prime Minister of Pakistan approved the proposals for implementation of Special Pay Scales (SPS) for PARC employees and Draft Regulations for BOG and Executive Committee subject to the conditions that administrative and financial power will require the consultation and concurrence of Establishment and Finance Division.

Audit observed that PARC (Board of Governors) failed to perceive the delegation and approved a number of benefits like allowing mobile phone facility, enhancement in hiring rates of private accommodation for residential purpose for officers and staff and creation and up gradation of posts without obtaining concurrence of Establishment and Finance Division.

Audit is of the view that exercising of powers by the Board of Governors over and above the approval granted by the Prime Minister was unauthorized.

DAC held on 7th January, 2021 directed the management to get the record verified by audit. No record was produced to audit till finalization of the report.

Audit recommends that responsibility for the irregularity may be fixed besides corrective action.

Para No. 22.5.5 Irregular maintenance of Bank Account and non-reflection of receipt - Rs.30.704 Million

Section 18(2) of PARC Ordinance 1981 states that the funds of the Council shall consist of (a) grants made by the Federal Government and the Provisional Governments; (b) grants, donations, endowments, contributions, aid and assistance given by other organizations; (c) foreign aid and loans obtained or raised with the approval of the Federal Governments; and (d) receipts from other resources.

The management of Pakistan Agricultural Research Council (PARC), Islamabad was maintaining a current bank account in NBP, Islamabad. The management has been signing Memorandums of Understanding (MoUs) with local and international organizations since long for various projects. The management provided a list of 13 projects showing receipt of Rs.27, 341,516 against these projects from donors during the financial year 2019-20.

Audit observed that:

- i. The statement of the above mentioned bank account indicated a credit of Rs. 30,703,726 against an amount of Rs. 27,341,516 shown as received by the management which suggested that the amount received from donors under different agreements was not made part of the fund.
- ii. The bank account was opened without the approval of Finance Division.

Audit is of the view that the maintenance of bank account without approval from Finance Division was unauthorized and difference between the figures of receipt appearing in the bank account and that recorded by the management was a serious lapse on the part of the management. DAC held on 7th January, 2021 directed the management to get the record verified by audit.

No record was produced to audit till finalization of the report.

Audit recommends that the matter may be inquired to authenticate the figure of receipt besides taking corrective action.

Para No. 22.5.8 Unauthorized retention and maintenance of 128 vehicles by NARC

Para-XV of Annexure of the Cabinet Division No.6/7/2011-CPC dated 12-12-2011 states that the Ministries/Divisions/Departments needing operational vehicles shall get their authorization of such vehicles fixed from the Vehicles Committee constituted with a representative each from Cabinet Division, Finance Division and the respective Ministry/Division/ Department.

National Agricultural Research Centre (NARC), Islamabad and its 20 allied institutes maintained and operated a fleet of 128 vehicles during the FY 2019-20. However, complete detail of expenditure incurred on POL and repair & maintenance cost of such vehicles were not provided to audit.

Audit observed that NARC has retained a large fleet of vehicles without due authorization of Cabinet Division.

Audit is of the view that retention of large fleet or vehicles without the approval of Cabinet Division was unauthorized.

The management replied that all vehicles were purchased for PSDP projects. These projects are approved from Planning Division Government of Pakistan and their PC-I consist of purchase, and retention of these vehicles is as per PC-I.

The reply is not satisfactory as the vehicles were retained beyond entitlement / needs and without the approval of Cabinet Division. In addition, the vehicles purchased from PSDP funds need to be surrendered to government on the completion of projects.

DAC held on 7th January, 2021 directed the controlling ministry to inquire the matter and furnish the report to audit.

No progress shown to audit till finalization of the report.

Audit recommends early authorization of Vehicles.

Para No. 22.5.9 Irregular and unauthorized installation of Zong BTS Tower in the premises of NARC

PARC Ordinance 1981 states that the functions of the Council shall be to undertake, aid, promote and coordinate agriculture research and related activities.

Clause 6(1) of Chapter-IV further states that the overall control direction and superintendence of the affairs of the Council shall vest in the Board of Governors.

NARC made a license agreement with M/s CMPak Ltd (Zong) for installation of Zong BTS Tower for the period of 10 years at monthly rent of Rs.70,000 with the condition of increase @ 10% per year.

Audit observed that:

- i. Entering into agreement for allotment of land for installation of BTS Tower is not covered under the functions of NARC.
- ii. Approval of Board of Governor was also not obtained before signing the agreement.

Audit is of the view that installation of Zong BTS Tower in the premises of NARC is unauthorized.

The management replied that PARC is an Autonomous body. The Chairman, PARC is a Competent Authority. The installation of BTS Tower is with the approval of Competent Authority i.e. Chairman, PARC.

The reply is not satisfactory as the installation of BTS tower in the premises of NARC is not covered in its mandate of agricultural research and related activities.

DAC held on 7th January, 2021 directed the management to get the record verified by audit.

No record was produced to audit till finalization of the report.

Audit recommends inquiry and fixing responsibility besides verification of record.

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Para No. 22.5.1 Non achievement of core Objective of the project.

Clause -5 of Revised PC-1 of the project states that the specific objectives of the project titled "Promotion of Olive Cultivation on Commercial Scale in Pakistan" are as under: -

1. Commercial level Cultivation of olive up to 50000 acres

2. To develop infrastructure for mass scale production of olive nursery plants.

The management of “Promotion of olive Cultivation on commercial scale in Pakistan” provided the detail of physical progress of the project as under: -

| Period | Objectives | | | |
|---------|------------------------|--------------|-----------------------|--------------|
| | Plantation 50000 acres | | Specialized Nurseries | |
| | Targets | Achievements | Targets | Achievements |
| 2014-15 | 1300 acres | Nil | 7 | Nil |
| 2015-16 | 10500 acres | 2390 | 6 | Nil |
| 2016-17 | 12800 acres | Nil | 0 | 1 |
| 2017-18 | 12700 acres | Nil | 0 | 0 |
| 2018-19 | 12700 acres | 4065 | 0 | 0 |

Audit observed that the management failed to achieve project objectives and the plantation of olive plants was actually done at the total area of 6455 acres against target area of 50000 acres and only one specialized nursery was established against target of 13 Nurseries

Audit is of the view that non achievement of objectives and delay in implementation of project not only resulted in cost escalation but also loss of opportunity to take benefit of olive plantation and production of high-quality edible oil des having good soil and environment for its cultivation.

The management did not reply till finalization of the project.

The Audit recommends proper implementation of the project to achieve its maximum benefits besides fixing of responsibility.

Para No. 22.5.2 Irregular payment to supplier to avoid lapse of funds Rs.7.485 millions.

Procedure for operation of Assignment Account of Federal Government issued by the office of the comptroller General of Accounts (CGA) Vide Letter NO.C-II/-39/08-Vol-V/632 Dated 24.09.2008 states that funds in Assignment Account will be part of Consolidated Fund. Amounts remaining unspent at the end of the financial year will appear as savings under the respective budget grant unless surrendered in time. Unspent amounts cannot be carried forward to the next financial year. The Officers holding Assignment Account will ensure that no money is drawn from these accounts unless it is required for immediate.

Para-96 of GFR Volume –I states that it is contrary to the interest of the state that money should be spent hastily or in an ill- considered manner merely because it is available or that the lapse of the grant could be avoided. In the public interest, grants that cannot be profitably utilized should be surrendered. The existence of likely savings should not be seized as an opportunity for introducing fresh items expenditure which might wait till next year. A rush of expenditure particularly in the closing months of financial year will ordinarily be ignored as a breach of financial regularity.

The management of “Promotion of olive cultivation on commercial scale in Pakistan” issued a supply order dated 22.06.2015 to M/S Khaista Khan Enterprises, Islamabad for the purchase of 30000 O OLIVE PLANTS @ 249.50 each amounting to Rs.7,485,000 during financial year 2014-15

Audit Observed as Under:-

- i. The payment of Rs.7,485,000 was made to M/S Khaista Khan Enterprises vide Cheque NO. A 258406 DATED 29.06.2015 to avoid Lapse of Funds.
- ii. The Plants were delivered on 05.07.2015 instead of 30.06.2015 and the management did not impose penalty on the firm @ Rs.0.2% per day.

Audit is of the view that the funds were spent hastily to avoid the lapse of funds.

The management did not reply till finalization of the report.

Audit recommends that the responsibility may be fixed for making the payment in advance of actual requirement besides recovery of the penalty.

Para No. 22.5.3 Non-Submission of statutory audit reports to the Federal Government.

According to section (19), (3 &4) of the Pakistan Agricultural Research Council Ordinance 1981 “ the accounts of the council maintained in such form and manner as the Federal Government may determine in consultation with the Auditor General Of Pakistan . The accounts of the council shall be audited by the one or more auditors who are Chartered Accountants within the meaning of the Chartered Accountant Ordinance 1961(X of 1961) and are appointed by the Federal Government in consultation with the Auditor General of Pakistan on such remuneration to be paid by the council as the Federal Government may fix”.

Section -24 ibid further states that the council shall furnish to the Federal Government , as soon as possible after the end of each financial year , but not later than the last day of December next following a report on the conduct of its affairs for that year and shall publish the same along with the summary of the accounts for that year.

Pakistan Agricultural Research Council Islamabad awarded statutory audit of the account of PARC for the Financial Years 2003-04 to 2007-08 to M/S Horwarth Hussain Ch & CO. Chartered Accountants vide letter dated 6.07.2010 . The auditors submitted the report on 19.12.2017 by raising four (4) qualifications which remain unsettled till November 2021.

Later on the statutory audit of PARC for the financial year 2008-09 to 2012-13 was awarded to M/S Bakertilly Mehmood Idrees Qammar Chartered Accountants in consultation with the Auditor General of Pakistan on 09.09.2020.

Audit Observed as under :-

- i. The statutory audit reports for the financial year 2003-04 to 2007-08 submitted by the M/S Horwarth Hussain Ch& CO Chartered Accountants to the PARC on 19.12.2017 could not be finalized due to unsettled (4) qualifications raised by the auditors . Resultantly, the statutory audit reports could not be submitted to the Federal Government so far.
- ii. The statutory audit for financial year 2008-09 to 2012-13 awarded to MS Bakertilly Mehmood Idrees Qammar Chartered Accountants could not be finalized by the Auditors till November 2021. The audit reports for the said financial Years could not be submitted to the Federal Government as well.
- iii. The statutory audit for the Financial Years 2014-15 to 2020-21 was not awarded to the Chartered Accountants till November 2021. Resultantly the audit reports could not be submitted to the Federal Government till November 2021.

Audit is for the view that non Submission of statutory audit reports to the Federal Government for the Financial Years 2003-04 to 2020-21 is sheer breach of the provisions of PARC Ordinance 1981.

The management replied that five years audit from 2018-19 to 2022-23 of the council would be matured in June 2023 and the pending audits from 2013-14 to 2017-18 would be completed after appointment of an auditor.

The reply is not cogent as the accounts of the PARC for the Financial year 2003-04 to 2013-14 are still lying un-finalized. No Chartered Accountant Firm was appointed to conduct the statutory audit for the financial year 2013-21.

The Management did not convene DAC meeting till finalization of the report.

Audit recommends that responsibility may be fixed for the irregularity.

Para No. 22.5.6 Less booking of expenditure in the books of accounts of PARC – Rs.35.552 million

Rule -15 of GFR vol-1 States that “Every officer whose duty is to prepare and render any accounts or returns in respect of public money or stores is personally responsible for their completeness and strict accuracy.” Rule -16 ibid further states that “an officer who signs or countersigns a certificate is personally responsible for the facts certified to, so far as it is his duty to know or to the extent to which he may reasonably be expected to be aware of them “

Pakistan Agricultural Research council Islamabad got budget allocation of Rs.3,965,800,000 against which total expenditure of Rs.3,965,786,183 was incurred during financial year 2020-21 and reconciled with the AGPR Islamabad. The management provided head wise break up of consolidated expenditure of Rs.3,930,234,000 in respect of PARC (HQ) and its Centers/Offices at various stations with difference of Rs.35,552,183 between the expenditure booked with the AGPR and recorded in the books of accounts of PARC .

Audit observed that there was less booking of Rs.35.552 million in the books of accounts of the council.

Audit is of the view that due to less booking of the expenditure the accounts of the PPARC are unauthentic and do not present true and fair picture .

The management replied that difference of Rs.35.552 million in consolidated expenditure statement of PARC arises owing to booking of less expenditure for the FY 2020-21 BY Research Establishments of PARC .All REs have been requested to provide revises/updated /corrected expenditure statement for the FY 2020-21 so that consolidated expenditure statement could be updated and provided to Audit hence the revision is under process and audit will be intimated in due course of time.

The reply is not cogent as no rectification was made in the books of accounts.

Audit recommends fixing of responsibility for the said lapses besides rectification of expenditure in the books of accounts of PARC.

Para No. 22.5.8 Non – Reconciliation of bank accounts –Rs.30.592 million

According to chapter VI (19)(2 &3) OF Pakistan Agricultural Research Council ordinance 1981” the council may open accounts in an scheduled bank in Pakistan .The accounts of the council shall be maintained in such form and manner as the Federal Government may determine in consultation with the Auditor General of Pakistan”.

Rule 15 GFR states that “every officer whose duty is to prepare and render any accounts in respect of public money or stores is personally responsible for their completeness and strict accuracy and their dispatch within the prescribed date “

National Agriculture Islamabad was maintaining following two bank accounts and provided bank reconciliation statements for the period w.e.f 01.07.2020 to 30.06.2021. As per

reconciliation statements the following were long outstanding unsettled figures of debit and credit with National Bank of Pakistan.

| Bank A/c | Detail of un settled difference of the amount | Amount |
|--------------------|--|---------------------|
| 064-4 | Amount Directly credited by bank but not recorded in cash book | 3,029,120/- |
| | Amount Directly Debited by bank but not recorded in cash book | 17,998,870 |
| | Sub total | 21,027,990/- |
| 044-9 | Unpresented Cheques | 5,013,651/- |
| | Amount credited by bank but not recorded in books of accounts | 2,729,484/- |
| | Amount Directly Debited by bank but not recorded in cash book | 1,821,162/- |
| | Sub Total | 9,564,297/- |
| Grand Total | | 30,592,287/- |

Audit Observed as under:-

- i. The details of incorrect debited amounts of Rs.19.819 million (Rs.17.998 million+Rs.1.821 million) by the bank along with their aging were not on record.
- ii. Similarly the details of incorrect credited amounts of Rs.5.758 million (Rs.3.029+2.279) by the bank along with their aging was not on record .the said incorrect figures of debit and credit outstanding cheques were never reconciled with NBP.
- iii. The detail of un-presented cheques of Rs.5.013 million in the bank account of No-044.9 was not on record.

Audit is of the view that due to non-reconciliation of bank accounts with the NBP, the possibility of misappropriation or fraud could not be ruled out.

The management did not convene DAC meeting till finalization of the report.

Audit recommends fixing of responsibility against the concerned persons for the said lapse besides carrying out reconciliation of above bank accounts.

Para No. 22.5.9 Unauthorized change of specifications of speed breeding facility glass house in violation of the provision of PC-1 Rs.26.014 million

According to the provision of PC-I of the umbrella project titled “Productivity Enhancement of Wheat” there was a provision of Glass house with the following specifications. Size 80ft *33ft: 8 Glass house rooms /Chambers with cooling heating +air conditioner at total cost of Rs.27.100 million.

Pakistan Agricultural research Council Islamabad floated open tender for construction of accelerated /speed breeding facility (Modern Glass house) at NARC Islamabad in newspaper on 23.5.2020. The closing and opening date of tender was 10.06.2020. Letter of acceptance /Work order was issued to M/S salaam Enterprises Faisalabad ON 12.06.2020. While floating tenders the specifications were changed as under.

“Size 600*33ft:6 Glass house rooms /Chambers with cooling +heating air conditioner.”

The detail of expenditure incurred on construction of Glass house id as under :-

| Sanction NO. | Dated | Gross amount of bill | Detail of Running Bills |
|-----------------------------|----------|----------------------|-------------------------|
| F-D872/2019-20/W&EM/NARC | 19.06.20 | 5,910,000/- | Ist Running |
| F-D 2020-21/W&EM/NARC | 18.12.20 | 3,086,978/- | 2 nd Running |
| F-D 6514 /2019-20/W&EM/NARC | 04.02.21 | 9,474,217/- | 3 rd Running |
| F-D 1177 /2020-21/W&EM/NARC | 29.04.21 | 7,543,260/- | 4 th Running |
| F-D/2020-21-/W&EM/NARC | 26.06.21 | 939,000/- | 5 th Running |
| Total | | 26,953,455/- | |

Audit Observed as under:-

- i. As per projects PC-I the size of the glass house was 2640sq.ft (80ft*33ft) with 8 chambers whereas NARC got constructed the glass house with reduced covered area of 1980sq.ft (60ft*33ft) with 6 chambers/rooms after making unauthorized changes in approved specifications.
- ii. The total provision of PC-I for the glass house (having covered area of 2460sq.ft) was Rs. 27.100 million but the NARC management incurred expenditure of Rs.26.953 million on construction of Glass house with less covered area and chambers.

Audit is of the view that change of specifications of glass house in violation of the provision of PC-I is unauthorized.

The management replied that the size of the speed breeding facility was reduced to 1980sq.ft i.e 60ft*33 ft having 6 chambers against the PC-I provision of 2640 sq.ft.i.e 80ft*33ft containing 8chambers on account of following two factors.

- i. Exchange rate is involved as imported material and equipment were to be used in the construction and functioning of this facility. The steep rise in the exchange rate of US Dollar made us compelled to reduce the size/area of the facility to remain within the allocated budget as per PC-I .
- ii. To enhance the efficiency and effectiveness of this facility through controlled environment by incorporating automatic ,intelligent and programmable DC inverter air conditioning systems .For this area was required to be reduced .

The reply is not cogent. No revision of PC-I was made start of construction of glass house .The entire PC-I allocation was utilized on construction of glass house with reduced covered area. The management did not convene DAC meeting till finalization of the report.

Audit recommends fixing of the responsibility against the persons concerned besides obtaining approval of PC-I from the competent forum.

Para No. 22.5.10 Non-Recovery of Late delivery Charges and Liquidated damage from firms –Rs.9.335 million

As per standards Terms and Conditions of the Tender Document for the purchase of Next Generation sequencing (NGS) machine “ If the company /firm make delay in supply with in a stipulated period 0.2 % late delivery charges per day will be deducted on the billing amount of delayed supply”.

According to standards Terms & Conditions of the Tender Document for the purchase of one pass Tillage Operation Machine /Tractor along with accessories “ if the company /firm make delay in supply within stipulated period 0.2% late delivery charges will be deducted /claimed on the total amount/supply order if deem appropriate in public interest “

According to serial # 07 of appendix-A to Tender Documents for the construction of speed Breeding facility Glass house at NARC Islamabad “ Amount of Liquidated damages of Rs.50,000 for each day for delay in completion of work subject to the maximum of 10% of contract price stated in the letter of acceptance is recoverable .

National Agriculture Research Centre Islamabad floated open tender in newspapers for purchase of Next Generation Sequencing Machine Pass tillage operation Tractor along with accessories and construction of speed breeding facility (Modern Glass House) at NARC Islamabad.

The firms at Serial NO. 1 & 2 (of Annexure) were bound to supply the machinery & Equipment and the firm at serial no .3 to complete construction within stipulated period but the firms did not supply the machinery and complete construction work within simulated period.

M/S BMITCO PVT Ltd Islamabad (at serial no .1) requested for extension in period of supply of machinery supply up to 25.06.2021 which was granted by NARC vide letter no F.NO.1-10/2020-21/PSDP-Project –NIGAB date d24.06.2021.

M/S Pakistan Adam Motors Rawalpindi (S.NO.2) was bond to supply the tractor and accessories up to 26.04.2021 but the firm did not supply the machine within stipulated period and requested for extension up to 01.06.2021 which was granted vide letter F.1-38/2020-21/Pulses dated 26.04.2021.

The contractor M/S Saleem Enterprises Faisalabad failed to complete the work within stipulated time up to 15.12.2020 and requested for extension w.e.f 16.12.20 to 15.03.21 which was granted by the management. Even then the work was not completed within extended period and 2nd extension was allowed w.e.f 16.03.21 to 15.05.21 (02 months) .Total five month extension was granted to the supplier.

Audit observed as under:-

- i. Against original completion period of six-months, further extension of 05 months was granted to M/s Saleem Enterprises without cogent reasons and solid grounds.
- ii. Since the two firms(atS.No.1 & 2) failed to deliver the machinery and the third firm(s.No.3) failed to complete the construction work within stipulated period, therefore, the late delivery charges/liquidated damages amounting to Rs.9,335,858 were recoverable but no recovery was made by the management of NARC.

Audit is of the view that the public exchequer was deprived of recovery of liquidated damages amounting to Rs.9.335 million due to non-observance of conditions of contract and undue favour extended to the firms/contractor.

The management replied that NIGAB was regularly in contact with M/s BMITCO and MGI; the Manufacturer of NGS system. All the items were released by the MGI, China 15 days before due date i.e. 15 June 2021. However, due to Covid-19 pandemic there were abrupt changes in flights to carry such heavy equipment's, and big challenge was to arrange flight booking from China to Pakistan. The delay was beyond the control anybody to anyone due to Covid-19 pandemic emergency worldwide. Therefore, on the request of supplier, Chairman PARC being Chief Executive of the Council/ competent authority granted extension in supply period along with non-recovery of the late fee charges.

The construction of the Speed Breeding Facility was not completed according to the fixed target dates. The main reason was the Covid-19 pandemic condition, which disrupted the availability of imported items and other local constraints like unavailability of local material swell in time, due to the closer of local markets, according to the instructions of Government of Pakistan from time to time. This special conditional also created hurdles in the availability of concerned technical people, secondly the climate issues especially Monsoon season had started during the construction period, which ultimately resulted in the delay of construction of this facility. Therefore, these extensions were approved by the competent authority after examining the contractor requests and found eligible for extension that the delay was beyond the control of contractor.

It is recalled that M/s Pakistan Adam Motors had delivered "One Pass Tillage Operation Machine/Tractor (Puma210 HP4 WD) along with attached accessories "imported from UK/ Italy during a peculiar nature time and under specialized circumstances of covid-19 SOPs restrictions and intricate import process like world wide shipping line issues as the import was made UK & Italy which confronted in a most difficult times in the world (especially in Europe) associated with an other cogent factor of Block age on Suez Water Canala there was huge a pileup hence all the shipments rescheduled having new ETA (Estimated Time Arrival) at Karachi port. The supplier was provided initial supply period up to 26.04.21 which extended up to 01.06.21 owing to fact of new arrival time (ETA), port/ customs clearance procedure and then transportation of machinery from Karachi to Islamabad which obviously taken time fully justified with the sequel of circumstances. The extension was granted to a successful bidder with sole purpose of circumstance. The extension was granted to successful bidder with sole purpose to streamline task execution within the bid validity period specified in bidding document as per PPRA Rule 26(2) and Rule 38 of Public Procurement Rules, 2004. The machinery was also imported from two different country (UK & Italy) thus supplier has to manage all affairs and shipment arrangement at two sides which certainly required time. Therefore, late delivery charges not apply after acceptance of above clarification which may not as to construe putting Public Exchequer to loss.

The reply is not acceptable the firms were granted extension in violation of the provisions of Tender Documents.

The management did not convene DAC meeting.

Audit recommends recovery of late delivery charges/Liquidated damages.

Para No. 22.5.11 Unauthorized signing of contract agreement with Asian Development Bank- Rs.66.248 (USD 425,377).

As per Para 56 (2) of Rules of Business, 1973 "All requests to a foreign Government or an International organization for economic or technical assistance shall be made through the Economic Affairs Division, which shall correspond with the Foreign Government, etc., in accordance with the prescribed channel. The Economic Affairs Division may allow, by general or special order, such requests to be made direct".

The PARC Agrotech Company (Pvt) Limited (PATCO) Islamabad signed consultant services contract No.165001-553900 with Asian development Bank on 17.03.2021. As per agreement the ADB agreed to assist the Government of Pakistan with technical assistance for the TA-663-PK: Strengthen good Security Post COVID-19 and Locust Attacks-Food Security Information's upgrading Package (54319-001). The total maximum payment of US Dollar 425,377

was to be made by the ADB during conduct period w.e.f 19-03-2021 to 30-11-2021. During financial year 2020-21 the PATCO received mobilization payment of USD 56,405.34 is under:

| Invoice No. & Date | Amount in USD |
|----------------------|---------------|
| No. 01 dt. 29.3.2021 | 26,548 |
| No. 02 dt. 09.5.2021 | 26,548 |
| No. 03 dt. 28.6.2021 | 3309.34 |
| Total | 56,405.34 |

Audit observed that the signing of contract agreement without obtaining approval of the Economic Affairs Division (through PARC and Many of National Food Security & Research) is unauthorized

Audit is of the view that the PATCO violated the provisions of Rules of Business, 1973.

Neither management replied nor DAC was convened till finalization of the report.

Audit recommends inquiry to fix responsibility for unauthorized signing of agreement with Asian Development Bank besides obtaining approval of the Economic Affairs Division

Para No. 22.5.12 Irregular expenditure without calling open tender –Rs.30.922 million

Rule-12(2) of Public Procurement Rules, 2004 states that Procurements over five hundred thousand Pakistani Rupees and upto the limit of three million Pakistani Rupees shall be advertised on the Authority's website in the manner and format specified by regulation by the Authority from time to time."

According to Para-2 (viii) of PATCO Procedures and Policies Documentation of all purchases of goods and services will be maintained properly".

According to Pakistan Agricultural Research Council letter No.F.1-10/09 PATCO O/Fin. Inc dated 19.03.2012 the Executive Committee in its meeting allowed to implement the proposed flouted by the CEO PATCO for a period of six months which inter alia contains the following proposal regarding laboratory testing facilities.

"the case will extend any sort of lab testing & facilities such as grain quality test, soil sample tests, seed quality test, honey quality test milk or dairy product test etc. or its enrolment"

The CEO PATCO vide office note dated 05.01.2021 constituted through members committee for purchase of honey with the following TORs.

On spot quality testing of moisture, total sugars and pollen analysis.

Evaluation of the physical analysis of honeys i.e. color, smell, taste and viscosity.

PARC Agrotech Company Pvt. Ltd. Islamabad incurred Rs. 30,922,181 during financial year 2020-21 on purchase of honey and packing material from the open market.

| Particulars of purchaser | Total expenditure incurred |
|--------------------------|----------------------------|
| Honey | 25,902,771 |
| Packing Material | 5,019,410 |
| Total | 30,922,181 |

The PATCO Islamabad incurred total Rs. 25,902,771 on purchase of honey during financial year 2020-21.

Audit observed in under:

- i. The entire expenditure of Rs.30.922 million was incurred without calling open tender as required under PPRA Rules 2004
- ii. The honey and packing material was purchased without need assessment as no record was maintained in this regard as required under PATCO.
- iii. Out of total expenditure of Rs. 25.902 millions, the expenditure of Rs.21.687 million was a incurred without carry out laboratory tests. The laboratory test reports enclosed with the vouchers disclosed that the tests were performed after lapse of time ranging from 10 days to 113 days after the purchase of honey.

Audit is of the view that incurring of expenditure of Rs. 30.922 million without calling open tender is irregular. The purchases of honey without carrying out laboratory tests are violation of the ToRs approved by the competent authority. The possibility of fake laboratory reports could not be ruled out.

Neither management replied nor DAC was convened till finalization of the report.

Audit recommends fixing of responsibility against the persons concerned for the lapses besides regularization of expenditure from the Finance Division.

CIVIL AUDIT REPORT 2023-24

Para No. 33.5.1 Irregular appointments made in excess of advertised posts and non-observing of provincial / regional quota

Establishment Division D.O. No. 10(1)/91-CP-1 dated 01.01.1992 states that regional/provincial quotas have been made applicable in Autonomous Bodies/corporations as being observed in the Federal Services.

The management of Pakistan Agricultural Research Council (PARC), Islamabad advertised different One-Hundred-and-Sixty-Four (164) posts and appointed Three-Hundred-and-Thirty-Two (332) Officers/Officials during the FY 2022-23, as per following details:

| S. | Advertisement date | Post / SPS | No. of Posts Advertised | No. of Persons Appointed | Excess |
|-------------------------------|--------------------|-------------------------------------|-------------------------|--------------------------|------------|
| 1 | 03.04.2022 | Scientific Officer (SPS-08) | 81 | 148 | 67 |
| | | Asstt. Scientific Officer (SPS-07) | 12 | 51 | 39 |
| Sub-Total | | | 93 | 199 | 106 |
| 2 | 17.08.2022 | Deputy Director HR (SPS-09) | 1 | 1 | 0 |
| | | Asstt. Director (SPS-07) | 2 | 4 | 2 |
| | | Network Administrator (SPS-08) | 1 | 1 | 0 |
| | | PRO (SPS-08) | 1 | 1 | 0 |
| | | Asstt. Admn Officer (SPS-07) | 2 | 7 | 5 |
| | | Asstt. Computer Programmer (SPS-07) | 2 | 6 | 4 |
| | | Asstt. Protocol Officer (SPS-07) | 1 | 3 | 2 |
| | | Asstt. Security Officer (SPS-07) | 1 | 1 | 0 |
| | | Asstt. Store Officer (SPS-07) | 3 | 7 | 4 |
| | | Senior Auditor (SPS-07) | 2 | 3 | 1 |
| | | DEO (SPS-05) | 4 | 6 | 2 |
| | | Draughtsman (SPS-05) | 1 | 2 | 1 |
| | | Sub-Engineer Civil (SPS-05) | 5 | 11 | 6 |
| | | UDC (SPS-05) | 3 | 12 | 9 |
| Lab Tech-I (SPS-04) | 5 | 5 | 0 | | |
| LDC (SPS-04) | 2 | 17 | 15 | | |
| Scientific Assistant (SPS-04) | 12 | 13 | 1 | | |
| Sub-Total | | | 48 | 100 | 52 |
| 3 | 01.03.2023 | Scientific Officer (SPS-08) | 2 | 2 | 0 |
| | | Asstt. Scientific Officer (SPS-07) | 3 | 4 | 1 |
| | | Store Keeper (SPS-05) | 1 | 1 | 0 |
| Sub-Total | | | 6 | 7 | 1 |
| 4 | 20.10.2022 | Asstt. Store Officer (SPS-07) | 1 | 2 | 1 |
| | | Assistant (SPS-07) | 2 | 4 | 2 |
| | | Steno Typist (SPS-06) | 1 | 2 | 1 |
| | | Tube Well Operator (SPS-01) | 2 | 3 | 1 |
| | | Naib Qasid (SPS-01) | 4 | 5 | 1 |
| | | Technician (SPS-01) | 2 | 2 | 0 |
| | | Security Guard (SPS_01) | 3 | 6 | 3 |

| | | | | | |
|--------------------|------------|------------------------------------|------------|------------|------------|
| Sub-Total | | | 15 | 24 | 9 |
| 5 | 18.02.2023 | Asstt. Executive Engineer (SPS-08) | 1 | 1 | 0 |
| | | Information Officer (SPS-08) | 1 | 1 | 0 |
| Sub-Total | | | 2 | 2 | 0 |
| GRAND TOTAL | | | 164 | 332 | 168 |

Audit observed that:

1. Against the advertised 164 posts, appointments on various 332 posts were made, resulting into excess appointments made than the posts advertised.
2. Provincial / regional quota was not observed.
3. Some posts were re-designated during the process of appointments.

Audit is of the view that appointments made in excess of advertised posts and without observing provincial/regional quota were irregular and unauthorized.

Audit recommends holding of fact finding inquiry to probe the matter

CIVIL AUDIT REPORT 2024-25

Para No. 25.5.1 Irregular payment of salaries - Rs. 4.200 million

Section 13.4 of the PC-I of the project titled, —Mainstreaming of Mountain Agriculture Research Centre (MARC) for the promotion of high value agriculture in Gilgit-Baltistan provides that no new recruitment will be made under the project. The required staff will be provided by the PARC from its main strength (current side) as decided by the PARC management.

The management of the Mountain Agricultural Research Center (MARC), Jaglote, Gilgit incurred an expenditure of Rs. 4,200,000 under the head Other Charges, Other Services of Daily Paid Labour (DPL).

Audit observed that the payments were made on account of salaries to the staff appointed on the Daily Paid Labour (DPL) by the DG, MARC despite non-provision of such appointments in the PC-I.

Audit is of the view that appointments for the project and payment of salaries thereof was irregular and unauthorized.

The management did not reply.

The PAO and the audited formation were informed on 30.10.2024 and 12.12.2024 followed by a reminder dated 07.01.2025 for convening of the DAC meeting but no response was received till finalization of the report.

Audit recommends discontinuation of the irregular practice forthwith beside regularization of the irregularity from the competent forum.