

SENATE SECRETARIAT

REPORT OF THE STANDING COMMITTEE ON FINANCE, REVENUE, ECONOMIC AFFAIRS, STATISTICS AND PRIVATIZATION UNDER PROVISIO TO SUB-RULE (4) OF RULE 166 OF THE RULES OF PROCEDURE AND CONDUCT OF BUSINESS IN THE SENATE, 2012

I, Senator Saleem Mandviwalla, Chairman Standing Committee on Finance, Revenue, Economic Affairs, Statistics and Privatization, have the honour to present the report, on behalf of the Committee, on the budgetary allocation and its utilization in respect of the following divisions/departments, under proviso to sub-rule (4) of rule 166 of the Rules of Procedure and Conduct of Business in the Senate, 2012:-

- (1) Finance Division
- (2) Privatization Division
- (3) Auditor General of Pakistan
- (4) Central Directorate of National Savings

2. The composition of the Standing Committee is given as under: -

- | | |
|--|-------------------|
| (1) Senator Saleem Mandviwalla | Chairman |
| (2) Senator Ilyas Ahmed Bilour | Member |
| (3) Senator Muhammad Mohsin Khan Leghari | Member |
| (4) Senator Muhammad Talha Mahmood | Member |
| (5) Senator Nasreen Jalil | Member |
| (6) Senator Kamil Ali Agha | Member |
| (7) Senator Islamuddin Shaikh | Member |
| (8) Senator Ms. Ayesha Raza Farooq | Member |
| (9) Senator Sardar Fateh Muhammad Muhammad Hassani | Member |
| (10) Senator Mushahid Ullah Khan | Member |
| (11) Senator Saud Majeed | Member |
| (12) Senator Mohsin Aziz | Member |
| (13) Senator Mohammad Ishaq Dar,
Minister for Finance, Revenue,
Economic Affairs, Statistics and Privatization | Ex-Officio Member |

3. The Committee considered the budgetary allocation and its utilization in respect of the departments mentioned at para 1 above, in its meetings held on 31st March, and 1st June, 2016. The meetings of the Committee were attended by the following members, namely:-

- | | |
|--|-----------|
| (1) Senator Saleem Mandviwalla | Chairman |
| (2) Senator Ilyas Ahmed Bilour | Member |
| (3) Senator Muhammad Mohsin Khan Leghari | Member |
| (4) Senator Kamil Ali Agha | Member |
| (5) Senator Mushahid Ullah Khan | Member |
| (6) Senator Saud Majeed | Member |
| (7) Senator Nasreen Jalil | Member |
| (8) Senator Mrs. Nuzhat Sadiq | Ex-Member |

FINANCE DIVISION

4. The Secretary, Finance Division objected for a briefing on the budgetary allocation and its utilization in respect of the M/o Finance and its attached departments for the current financial year, as required under Rule 166 (4) of the Rules of Procedure and Conduct of Business in the Senate, 2012, and asked the Committee under which article of the Constitution, the said rule was made. He was of the view that the Senate Standing Committee has no right to oversight the financial matters of the ministry/division except during the process of laying budget in the Senate. Replying to the query raised by the Secretary Finance, the Chairman Committee said that the matter would be looked into.

5. The Secretary Finance Division, however, gave a detailed presentation on the budgetary allocation and its utilization in respect of the M/o Finance upto 31st January, 2016, under different account heads. He informed the Committee that the budgetary allocation for the Finance Division (Main) was Rs.1,500,000,000/- from which an expenditure of Rs.655,856,503/- had been made so far and the amount of Rs.844,145,497/- was in balance. He further informed that allocation for other expenditures of the Finance Division was Rs.2,551,000,000/- and the expenditure of Rs.1,787,476,026/- had been made and Rs.763,525,974/- was in balance. On a query raised by the Committee, he replied that the budget of Finance Division (Main), Finance Division (Military), Economic Minister (Washington-DC, USA), Economic Minister (Beijing, China), Economic Minister (Tokyo, Japan) were included in Demand No.29 of the Finance Division (Main) whereas the FTO (Karachi), FTO (Islamabad), Provision of Relief, Loss by Exchange, ICMAP (Karachi) were included in Demand No.33 of other expenditures.

6. In response to a pending query of the Committee, in the meeting held on 1st June, 2016, the Additional Finance Secretary provided following details of the four PSDP Projects of the main Finance Division:-

Sr. No.	Name of the Project	Allocation 2015-16	(Rupees in Millions)	
			Funds released as on 26-05-2016	Funds Utilization
1.	Automation Project of CDNS, Phase-II	376.000	263.200	135.400
2.	Capacity building, MIS Development and Institutional Strengthening of Pakistan Mint	10.000	8.000	5.600
3.	Institutional Strengthening of Finance Division	44.728	36.600	28.159
4.	Public Sector Enterprises Reforms Project	FEC 250.000 LC 31.940 Total 281.940		

7. Regarding Public Sector Enterprises Reforms Project, Additional Finance Secretary informed that the said project was approved in October, 2014, funded by the Asian Development Bank (ADB) with the grant of Rs.2020 million whereas the Government of Pakistan would grant Rs.256.5 million. On a query raised by the Committee, he informed that the project was still

under process and no funds had been utilized so far in that respect. While discussing the provincial projects funded through the Finance Division, the Committee observed that no progress had been made in that regards and showed its displeasure.

PRIVATIZATION DIVISION

8. The representative of the Privatization Division briefed the Committee that Rs.141.000 million were allocated under demand No.39, covering both the Privatization Division and the Privatization Commission. He said that overall utilization under the said demand as of 30th April, 2016, was amounting to Rs.84.443 million and a balance of Rs.56.559 million were available for utilization by the closure of Financial Year, 2015-16. He further said Rs.44.002 million were allocated for the Privatization Division out of which Rs.35.633 million were utilized and Rs.11.744 million were available in balance whereas, Rs.96.998 million were allocated for Privatization Commission out of which Rs.48.810 million were utilized and Rs.44.815 were available in balance.

9. The representative of the Privatization Division gave following details of overall/head-wise allocation, utilization and balance of both the Privatization Division and the Privatization Commission:-

(Rupees in Millions)					
A/C Head	Description	Allocation	Final Budget	Utilization	Balance
A01	Employee Related Expenses	88.624	86.511	60.318	26.193
A03	Operating Expenses	43.064	43.697	18.528	25.169
A04	Employee Retirement Benefits	1.501	1.817	1.105	0.712
A05	Grants, Subsidies	1.801	2.701	1.500	1.201
A06	Transfers	2.901	2.800	1.700	1.100
A09	Purchase of Physical Assets	1.103	1.545	0.337	1.208
A13	Repair & Maintenance	2.006	1.931	0.955	0.976

10. On a query raised by the Committee, the representative of the Privatization Division informed that four posts of DG (BS-20), three posts of Director (BS-19) and one post of Accounts Officer (BS-18) were vacant in the Privatization Commission during the current fiscal year due to which an amount of Rs.12.00 million were required for payment of their salaries for the months of May and June, 2016, whereas anticipated saving of Rs.2.700 million was surrendered in May, 2016. He further said a re-appropriation of Rs.5.873 million had also been made by the Finance Division to clear the pending claims of a deceased employee and medical bills of the serving employees. The Committee showing its displeasure on non filling of the vacant posts in the Privatization Commission and inquired the reasons thereof. The representative of the Privatization Division responded that the said posts were vacant due the reason that they were not able to get the required members from the Government through the

Establishment Division even having a long correspondence, as some seasoned officers were required by the Privatization Commission. Regarding operating expenses, he said that the surplus balance was due to pending release for rent of office building and payment for utilities charges. Responding to another query raised by the Committee, he said that re-appropriation was also made in the head of grants/subsidies.

AUDITOR GENERAL OF PAKISTAN

11. The Deputy Auditor General of Pakistan, briefed on the budgetary allocation and its utilization in respect of the office of the AGP, and said the sanctioned strength of AGP's employees was 5387 whereas 3707 employees were in working position. Upon a grave concern shown by the Committee, he assured that the recruitment process against more than 2000 vacant posts would be initiated soon. He said that the budget of the Auditor General of Pakistan was classified as "Charged" Expenditures which was discussed in the Parliament but not voted upon. He further informed the Committee that estimated amount of Rs.3.895/- billion of budget ceiling was submitted to the Finance Division against which Indicative Budget Ceiling amounting to Rs.3.803/ billion was given and out of which Rs.2.304/- billion were utilized upto February, 2016, including utilization of Rs.2.785/- billion against the employee related expenses and Rs.1.061/- billion against other than employee related expenses.

12. The Committee was further informed that some re-appropriations had also been made against some pending liabilities. The Committee observed that the figures given by AGP were different from the figures given in the budget books and was of the considered view that the AGP should ensure to provide complete details of all re-appropriations made during the fiscal year 2015-16, to the Committee. On a query raised by the Committee, the Deputy Auditor General responded that having charged expenditures, budget cuts affected the AGP's field operations. On another query by the Committee regarding audit of the National Bank of Pakistan (NBP), he replied that the said bank had obtained stay order from the court of law and not giving access to the data for conducting the audit and they were of the view that as per NBP Ordinance, the audit of NBP would be conducted by the private auditors instead of AGP while after the 18th constitutional amendment, audit could be conducted by the AGP as well. The Committee was further informed that the Finance Division was requested for making re-appropriations only when required from major to major heads.

13. In response to a pending query of the Committee, in the meeting held on 1st June, 2016, the representative of the office of Auditor General of Pakistan (AGP) informed that the whole budget of the AGP had already been discussed by the Committee, however, the details of re-appropriations made during the current financial year had to be discussed as desired by the Committee. While briefing about the re-appropriations made for different account heads up to 25th May, 2016, the Committee inquired about re-appropriations made in the account head of

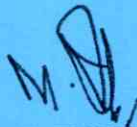
whereas re-appropriation of Rs.9.362 million was further made and Rs. 12.892 million were utilized upto 25th May, 2016. It was further informed that 76.06 % utilization had been made so far, however, Rs.4.057 were to be utilized in the month of June, 2016. On another query raised by the Committee, it was informed that no budget of the Auditor General of Pakistan would be lapsed by 30th June, 2016.

CENTRAL DIRECTORATE OF NATIONAL SAVINGS

14. The DG National Savings briefed that the total budget of Rs.2.591/- billion was allocated against which Rs. 1.680/- billion were utilized upto February, 2016 and Rs. 0.911/- billion were in balance. The Committee observed that the figures given by the Central Directorate of National Savings (CDNS) were not correct and the details regarding re-appropriations made during the financial year were also not incorporated. The Committee directed the CDNS to prepare comprehensive details of budgetary allocation and its utilization including all the re-appropriations which were made during the current financial year.

15. In response to above said pending query, in the meeting held on 1st June, 2016, the DG, Central Directorate of National Savings (CDNS), submitted details of re-appropriations made during the current financial year. He further informed that only 13% re-appropriations of the total budget had been made during the current financial year due to the reason that 426 offices of the CDNS were operating all over the country and the whole budget covered 51 spending units of the Directorate.

16. After detailed deliberations, the Committee showed its satisfaction on the budgetary allocation and its utilization in respect of departments mentioned at para 1 above. The Committee adopted this report in its meeting held on ~~17th~~ August, 2016, and gave approval for its presentation to the House.



(MUHAMMAD TAHIR KHAN)
Secretary (Committee)



(SENATOR SALEEM MANDVIWALLA)
Chairman (Committee)

Islamabad, the
~~17th~~ August, 2016