

**MINUTES OF DEPARTMENTAL ACCOUNTS COMMITTEE (DAC) MEETING HELD  
ON 16.03.2021 FOR DRAFT FORENSIC AUDIT REPORT ON ACCOUNTS OF  
ISLAMABAD HIGH COURT AND DISTRICT COURTS FOR THE PERIOD FROM  
30.09.2015 TO 30.09.2020**

\*\*\*\*\*

The para wise decisions taken in Departmental Accounts Committee are as under:

<b>Audit Para #</b>	<b>Title of audit para</b>	<b>Decisions of Departmental Accounts Committee (DAC)</b>
4.1.1	Embezzlement of cash sureties in office of senior civil judge (west) – Rs.10.796 million	The DAC was appraised that the Hon'ble Chief Justice, Islamabad High Court has directed Federal Investigation Agency (FIA) to hold an inquiry of the District & Sessions Courts on charges of embezzlement of sureties etc. Furthermore, the District & Session Judge (West) & the Senior Civil Judge (West) were also directed to report on the matter, and also to fully cooperate with FIA, and make efforts to recover the embezzled sureties' cash from the Ex-Nazir Mr. Muhammad Riaz, and any other person(s) held responsible. The Federal Investigation Agency (FIA) submitted interim reports to IHC, however inquiry into the bank accounts/assets of the alleged persons, especially the Nazir was in progress. The role of each presiding Officers was being ascertained, as the responsible ones failed to perform
4.1.2	Delayed deposit of embezzled cash sureties into treasury – Rs. 7.074 million	
4.1.3	Failure of internal controls leading to retention of cash sureties – Rs.133.789 million	
4.1.4	Illegal working of official as accountant after retirement	

4.1.5	Non-performance of official duties by designated de-jure Nazir and duties performed by de-facto Nazir	<p>their duties of oversight, and the lack of supervision/reconciliation led to the embezzlement.</p> <p>The Audit was of the view that alongside FIA's inquiry, departmental inquiry was required to be conducted for fixing responsibility and taking departmental action under Efficiency and Discipline Rules.</p> <p>The Departmental Accounts Committee decided that:</p> <ol style="list-style-type: none"> <li>i. The Draft Audit Paras No. 4.1.1, 4.1.2, 4.1.3, 4.1.4 and 4.1.5 are merged. Finalized findings and recommendations of the Inquiry Report may be obtained from the Federal Investigation Agency (FIA) and shared with Audit. Action taken by FIA may also be reported to Audit.</li> <li>ii. FIA should also conduct inquiry of embezzlements, delayed deposits of sureties etc. of prior period (01.07.2010 to 30.09.2015) and appropriate action should be taken.</li> <li>iii. A departmental Fact-Finding Committee be constituted by the District &amp; Session Judge (West) for all District Courts to conduct inquiry, fix responsibility and submit report to the Islamabad High Court. The departmental Committee should also ascertain embezzlements, delayed deposits of sureties etc. of prior period (01.07.2010 to 30.09.2015) and fix responsibility for taking action against the person(s) held responsible.</li> <li>iv. The Additional Registrar (Estt) Islamabad High Court and the District &amp; Session Judge (West) Islamabad will monitor the whole inquiry process. The District &amp; Sessions Judge (West) will submit a consolidated report and proposed actions to be taken on the basis of report of Fact-Finding Inquiry Committee.</li> </ol>
4.2.1	Absence of accounting procedure for cash sureties from guarantors in Islamabad High Court – Rs. 494.64 million	<p>The DAC was appraised that accounting procedure has been submitted to Controller General of Accounts for vetting/approval and was pending there with.</p> <p>The DAC decided that matter to be decided in light of advice to be provided by the Controller General of Accounts.</p>

4.2.2	Unauthorized collection of cash sureties and shuffaa – Rs.695.67 million	Decision of this audit para has been clubbed with the decision of audit paras No.4.1.1 to 4.1.5 as embezzlement of cash sureties occurred due unauthorized cash collection instead of directly depositing into federal treasury through deposit challans.  The DAC was however apprised that the practice of cash collection has been stopped. Para is recommended for settlement.
4.2.3	Unauthorized maintaining bank accounts for sureties - RS.189.81 million	The DAC was apprised that the balance amount laying in the bank accounts has now been deposited into government treasury and bank accounts have been closed.  The DAC directed to provide the record to Audit for verification.
4.2.4	Excess expenditure during financial year 2019-20 – Rs.5.35 million	The DAC settled the audit para.
4.2.5	Disbursement of salaries in cash - Rs.3.599 million	The DAC settled the audit para on the basis of departmental reply.
4.2.6	Non-realization/deposit of surety's prize bonds with public exchequer – Rs. 3.160 million	The DAC was apprised that surety/prize bonds in three cases have been released to guarantors. Now only one case of Rs. 1.00 million was pending of which date of hearing has been fixed and after the direction of the court, it would also be released/returned.  The DAC settled the audit para subject to verification of the record.
4.2.7	Non-adjustments of recoverable advances from de-notified/repatriated employees – Rs. 2.49 million	The DAC was apprised that process for recovery has been initiated.  Para is settled subject to record verification by Audit.
4.2.8	Outstanding of cheques – Rs. 0.020 million	The DAC settled the para.
4.3.1	Unjustified payment of rent and utilities of House No.02, Street No.60, F-7/4, Islamabad – Rs.1.430 million	The DAC settled the audit para subject to verification of record.

4.3.2	Shops, Canteen inside premises of Islamabad High Court, Islamabad	<p>The DAC was appraised that an amount of Rs.1,366,296 (details given in the reply) on account of rent and electricity charges was assessed by Pak PWD as recoverable from the occupants of the shops. The IHC has asked the occupants of shops to deposit the recoverable amount into government treasury.</p> <p>Para is settled subject to record verification by Audit.</p>
4.4.1	Excess payment of rent of house No.34, Street No.47, I-8/2, Islamabad – Rs.1.89 million	<p>The DAC was appraised that audit para has been referred to concerned, the decision is to be taken on receiving response.</p> <p>The DAC pended the para till the detailed reply alongwith evidence is received.</p>
4.4.2	Procurement of personal protective equipment at higher rates inclusive of payment of General Sales tax – Rs. 0.55 million	The DAC settled the audit para on the basis of departmental reply.
4.4.3	Non-imposition of penalty on late delivery – rs.0.17 million	The DAC settled the audit para subject to verification of record.
4.4.4	Non-recovery of liquidated damages on late delivery – Rs.0.298 million	The DAC settled the audit para subject to verification of record.
4.5.1	Nomination of Principal Accounting Officer, Islamabad High Court, Islamabad	The Departmental Accounts Committee recommends that keeping in view the "Financial Management and Powers of Principal Accounting Officers Regulations 2021", the matter be taken up with the Prime Minister through Ministry of Law, for approval of conferring the powers of Principal Accounting Officer. Then a fresh/ revised Notification should be issued.
4.5.2	Payment of special judicial allowance over and above the frozen level – Rs. 68.354 million	<p>The DAC was appraised about the basis of de-freezing of the Special Judicial Allowance i.e. National Judicial Policy, 2009, decision of National Judicial Policy Making Committee (NJPMC), Hon'ble Supreme Court of Pakistan Judgment and other relevant documents quoted in the reply.</p> <p>The DAC settled the audit para subject to verification of record.</p>

4.5.3	Irregular use of hired building for Judges Rest House for residential purpose by Ex-Chief Justice – Rs.8.93 million	<p>The DAC was apprised that audit para has been referred to concerned, the decision is to be taken on receiving response.</p> <p>The DAC pended the para till the detailed reply alongwith evidence is received.</p>
4.5.4	Appointment/Promotion on fake degree of Assistant Registrar (BPS-18) - Rs.9.75 million	The DAC was apprised that the appointing authority has imposed the "Major Penalty of Dismissal from Service" upon Ms. Saima Khan, Assistant Registrar (BPS-18) and Mr. Muhammad Raheel Khan, DEO (BPS-13). The process for recovery and other legal consequences has been initiated.
4.5.5	Appointment on fake degrees of data entry operator (BPS-10) – Rs.7.19 million	Para settled subject to verification of recovery.
4.5.6	Unjustified claims of seasonal charges in electricity bills – Rs.1.33 million	The DAC settled the audit para on the basis of departmental reply.
4.5.7	Charging of fee for preparation of printed paper books in intra-court appeals - Rs.0.71 million	The DAC settled the audit para on the basis of departmental reply.
4.5.8	Maintenance of Judges Rest House at House No.5 (CAT-III), Street No.95, Sector G-11/3, Islamabad – Rs.0.189 million	<p>The DAC was apprised that policy notification has been approved by the Administration Committee-IHC in respect of the Judges Rest House. The rates of rent charges have been approved for the Rest House effective from 1<sup>st</sup> December, 2019. Occupancy register has now been maintained. Rent has been collected from the occupants and deposited into government treasury.</p> <p>The DAC settled the audit para subject to verification of record.</p>
4.5.9	Diet money transferred to District and Sessions Judge (East) Islamabad – Rs.0.023 million	The DAC settled the audit para subject to verification of record.
4.5.10	Internal audit for financial years 2017-18 to 2019-20	<p>The management informed that in compliance of audit observation, internal audit for the financial year 2017-18 to 2019-20 has been conducted by the internal audit team of IHC.</p> <p>The DAC settled the audit para subject to verification of record.</p>

4.5.11	Physical verification of store stock items and physical assets	<p>The management informed that in compliance of audit observation, physical verification of store stock items and physical assets has been conducted by the physical verification team of IHC.</p> <p>The DAC settled the audit para subject to verification of record.</p>
4.5.12	Non-verification of educational qualification certificates of 21 employees	<p>The DAC was appraised that management of Islamabad High Court had complied with the observation. Fresh exercise of degrees verification has also been carried out.</p> <p>The DAC settled the para subject to verification of record.</p>
4.5.13	Deficiencies in Islamabad High Court Establishment (Appointment and Conditions of Services) Rules, 2011	<p>The management informed that the draft rules have been drafted, consultation were held, and draft rules submitted before the Hon'ble Administration Committee for approval.</p> <p>The DAC settled the audit para subject to verification of record.</p>
4.5.14	Non-maintenance of cashbooks of cash sureties, fine and remaining sale consideration (shuffa)	<p>The DAC was appraised that District &amp; Sessions Judges and Senior Civil Judges (West &amp; East) submitted certificates that Lahore High Court, Lahore Rules &amp; Orders Vol-II (adopted by Islamabad High Court), as well as the Federal Treasury Rules and allied instructions have been implemented, record of cash book/Receipt Register is now being maintained in respect of G-11215 and corrective measures have been taken in compliance of Audit findings.</p> <p>The DAC settled the para subject to verification of record.</p>
4.5.15	Non-reconciliation of cash sureties' receipts, deposits and refund from federal treasury office	<p>The DAC was appraised that the District &amp; Sessions Judges and Senior Civil Judges (West &amp; East) submitted certificates that Lahore High Court, Lahore Rules &amp; Orders Vol-II (adopted by Islamabad High Court) as well as Federal Treasury Rules and allied instructions have been implemented, all deposits have been reconciled whereas refund statements have been sent to Federal Treasury Office (FTO) for reconciliation and corrective measures have been taken in compliance of Audit findings.</p> <p>The DAC decided that reconciliation of amount received, deposited into federal treasury, refunded to applicants from treasury and closing balances at treasury may be prepared on monthly and yearly basis and provided to Audit for verification.</p>

4.5.16	Irregular nomination a Bailiff as Civil Nazir of Senior Civil Judge (West)	<p>The DAC was appraised that recruitment in District Courts was under consideration of superior authorities.</p> <p>In order to ensure the financial discipline and compliance of all financial/accounting rules, the competent authority requisitioned the services of an Audit Officer from office of the Auditor General of Pakistan who has been appointed as DDO of District Courts (East &amp; West).</p> <p>The DAC settled the audit para.</p>
4.5.17	Non-inspection of accounts.	<p>The District &amp; Sessions Judges and Senior Civil Judges (West &amp; East) submitted certificates that the Rule 3 Part-A of Chapter-8 of the Rules and Orders of the Lahore High Court, Lahore Vol-II, have been implemented in District Courts.</p> <p>The DAC settled the audit para subject to verification of record.</p>
4.5.18	Non-maintenance of stock registers of receipt books	<p>The DAC was appraised that District &amp; Sessions Judges and Senior Civil Judges (West &amp; East) submitted certificates that the Rule 53 of Section XIII Part-D of Chapter-8 of the Rules and Orders of the Lahore High Court, Lahore Vol-II, have now been implemented and stock registers of receipt books has been maintained.</p> <p>The DAC decided to provide the record to Audit for verification.</p>
4.5.19	Non-maintenance of receipt registers	<p>Decision of this audit para is clubbed with audit para-No.4.5.15 as reconciliations are based on receipt registers.</p>
4.5.20	Verification of antecedents, genuineness of education qualifications of employees	<p>The DAC was appraised that the District &amp; Sessions Judges and Senior Civil Judges (West &amp; East) submitted certificates that the verification letters for verification of character, antecedents, genuineness of education qualifications of employees of the District Courts have been dispatched to the concerned departments i.e. police, educational boards and universities, in reply most of educational credentials and character certificates of the officials have been verified by the concerned departments.</p> <p>The DAC decided that record of police verification reports and qualification verifications may be provided to Audit for verification. Para stands till verification of record.</p>

4.5.21	Non- Checking of accounts of District and Session Judges (East & West), by Presiding Officer.	<p>The DAC was appraised that the District &amp; Sessions Judges and Senior Civil Judges (West &amp; East) submitted certificates that the Lahore High Court, Lahore Rules &amp; Orders Vol-II (adopted by Islamabad High Court) as well as Federal Treasury Rules and allied instructions have been implemented, record of accounts are now being inspected by respective presiding officers and corrective measures have been taken in compliance of audit findings.</p> <p>The DAC settled the audit para subject to verification of record.</p>
4.5.22	Non- Checking of accounts of District and Session Judges (East & West) by Superintendents	<p>The DAC was appraised that District &amp; Sessions Judges and Senior Civil Judges (West &amp; East) submitted certificates that the Lahore High Court, Lahore Rules &amp; Orders Vol-II (adopted by Islamabad High Court) as well as Federal Treasury Rules and allied instructions have been implemented, record of accounts are now being inspected by respective superintendents and corrective measures have been taken in compliance of audit findings.</p> <p>The DAC settled the para subject to verification of record.</p>
4.5.23	Non-finalization cases of irregular appointments of 103 employees	<p>The DAC was appraised that a compressive inquiry has been completed and responsibility has been fixed. The Inquiry Report was lying with Islamabad High Court for final decision.</p> <p>The DAC pended the audit para till final decision on the Inquiry Report by IHC.</p>