

**SENATE OF PAKISTAN  
HOUSE OF THE FEDERATION**

REPORT NO.12 OF 2017



*House of the Federation*

**REPORT OF THE STANDING COMMITTEE ON FINANCE, REVENUE,  
ECONOMIC AFFAIRS, STATISTICS AND PRIVATIZATION**

**ON**

**"THE BUDGETARY ALLOCATION AND ITS UTILIZATION IN RESPECT OF  
THE FINANCE DIVISION AND RELATED DEPARTMENTS, UNDER  
PROVISO TO SUB-RULE (4) OF RULE 166 OF THE RULES OF PROCEDURE  
AND CONDUCT OF BUSINESS IN THE SENATE, 2012"**

**PRESENTED BY**

**SENATOR SALEEM MANDVIWALLA**

## **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) Revenue Division
- (3) Economic Affairs Division
- (4) Federal Board of Revenue, Customs & Inland Revenue
- (5) Statistics Division & Pakistan Bureau of Statistics (PBS)
- (6) Privatization Division
- (7) Controller General of Pakistan (CGA) & Accountant General Pakistan Revenues (AGPR)
- (8) Auditor General of Pakistan (AGP)
- (9) Pakistan Mint
- (10) Central Directorate of National Savings (CDNS)
- (11) Benazir Income Support Programme (BISP)

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 Ms. Ayesha Raza Farooq   | Member            |
| (8)  | Senator Sardar Fateh Muhammad Muhammad Hassani                                   | Member            |
| (9)  | Senator Mushahid Ullah Khan  | Member            |
| (10) | Senator Saud Majeed  | Member            |
| (12) | Senator Osman Saifullah Khan   | Member            |
| (12) | Senator Mohsin Aziz  | Member            |
| (13) | Senator Mohammad Ishaq Dar,  | Ex-Officio Member |
|      | Minister for Finance, Revenue,<br>Economic Affairs, Statistics and Privatization |                   |

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3. The Committee considered the budgetary allocation and its utilization in respect of the Divisions and Departments mentioned at para 1 above, in its meetings held on 12<sup>th</sup> & 28<sup>th</sup> April and 3<sup>rd</sup> May, 2017. 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 Mrs. Ayesha Raza Farooq	Member
(5)	Senator Kamil Ali Agha	Member
(6)	Senator Mushahid Ullah Khan	Member
(7)	Senator Saud Majeed	Member
(8)	Senator Sardar Fateh Muhammad Muhammad Hassani	Member
(9)	Senator Osman Saifullah Khan	Member

#### **FINANCE DIVISION**

4. The Additional Secretary Finance gave a detailed briefing on the budgetary allocation in respect of the Finance Division and its utilization including head-wise details and re-appropriations made up to 28<sup>th</sup> February, 2017. He informed the Committee that for the Finance Division under Demand No.29, Rs.1,569,969,000/- were allocated, however, a supplementary grant of Rs.48,008,000/-, and re-appropriation of Rs.10,618,000/- were made till 28<sup>th</sup> February 2017, therefore, the final grant was Rs.1,617,977,000/-, out of which Rs.797,215,930/- were utilized so far. He said that out of the total allocation, Rs.1,310,858,000/- were allocated for main Secretariat including a supplementary grant of Rs.43,004,000/- out of which Rs.655,018,354/- was utilized so far.

5. Replying to the queries raised by the Committee, he informed that a Family Assistance Relief Package was announced by the Prime Minister, which caused an increase in the heads of grant subsidies and write off loans as compared to the previous financial year. Regarding increase in employee related expenses and decrease in operating expenses for head of account of Economic Minister and Financial Advisor, Washington DC, he informed that the increase in employee related expenditure was due to merger of some allowances of the government employees in the basic pay scales, while, the reason for decrease in operating expenses was that during the previous financial year, some major procurements were made.

6. With regard to the Development Expenditure of Finance Division, he informed the Committee that there were six development projects of Finance Division against which Rs.869 million were allocated, out of which Rs.150.485 million were released till second quarter and actual utilization of Rs.104.416 million was made, and briefed about the status of development projects. While giving details of provincial development projects for which Federal Government was funding, he said there were 34 provincial development projects, for which Rs.9.2 billion were allocated.

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### **REVENUE DIVISION**

7. The representative of the Revenue Division informed the Committee that the total budget allocated to Revenue Division under Demand No.40 for the financial year 2016-17, was Rs.334,604,000/- which were further distributed amongst the Revenue Division (Main Secretariat) and Directorate General of Internal Audit and its field offices, however, the total expenditure incurred up to February, 2017 was Rs. 227,055,296/-. He also briefed the Committee about the expenditures incurred so far in all the field offices of the Revenue Division. Upon a query raised by the Committee, he informed that the Chairman FBR also had the charge of Secretary Revenue Division. The Committee recommended that the M/o Finance should take immediate steps to either appoint a separate secretary for the Revenue Division or if not required, the Revenue Division should be merged with the Federal Board of Revenue (FBR).

### **ECONOMIC AFFAIRS DIVISION**

8. The Secretary, Economic Affairs Division briefed the Committee on the budgetary allocation in respect of the Economic Affairs Division (EAD) and its utilization. He shared with the Committee head-wise details of the allocation and expenditure including re-appropriations made till February 2017. While briefing head-wise details of Demand No. 38 of EAD, he informed that the total allocated budget for the Main Secretariat including employee related expenses and non-employee related expenses was Rs.337,011,000/- and after re-appropriation, the final grant was Rs. 355,511,000/-, out of which Rs. 209,306,000/- was utilized. He said that the total amount allocated for Devolved Functions under 18th Amendment was Rs. 74,144,000/- out of which Rs. 62,663,000/- were utilized, whereas, the total amount allocated for Technical Assistance Schemes (TAS) was Rs.120,502,000/- and after re-appropriation the modified budget was Rs. 4,457,632,000/- out of which Rs. 4,356,619,000/- were utilized. On a query raised by the Committee, he informed that the amount allocated for Pakistan Italian Debt Swap Agreement (PIDSA) was Rs. 631,960,000/- out of which Rs.24,090,000/- were spent so far.

### **FEDERAL BOARD OF REVENUE, CUSTOMS AND INLAND REVENUE**

9. The Member (Admn), FBR briefed the Committee about head-wise details of budgetary allocation and its utilization, in respect of the Federal Board of Revenue (FBR), Customs and Inland Revenue till February, 2017. He said that the budget grant for FBR under demand No.41, was Rs.3,693,402,000/- whereas the final grant was Rs.4,120,082,000/- out of which 39% budget i.e. Rs.1,607,544,996/- were utilized till February, 2017. Regarding operating expenses, he said that these expenses were IT related, therefore, the major part of the payment would be made in the last quarter. He informed the Committee that the budget grant for Customs under Demand No.42 was Rs.6,923,707,000/- whereas the final grant of Rs.6,935,157,000/- was allocated, out of which Rs.4,566,986,147/- were utilized till February, 2017. Replying to the



query raised by the Committee, he said that most of the federal level development funds were released by the Planning Commission and it released less funds for development projects which caused 80% reduction in physical assets as compared to the last year. He informed that Rs.11,179,189,000/- was the budget grant for Inland Revenue under demand No.43 against which the final grant was allocated amounting to Rs.11,248,016,000/- and 64.93 percent budget amounting to Rs.7,303,687,654/- was utilized till February, 2017.

### **STATISTICS DIVISION**

10. The Secretary, Statistics Division briefed the Committee about the head-wise details of the budgetary allocation and its utilization in respect of Statistics Division and its attached department i.e. Pakistan Bureau of Statistics (PBS). He said that the total allocated budget for Statistics Division (Main) was Rs.67,564,000/- out of which Rs.31,672,808/- were utilized so far. Regarding budgetary allocation in respect of PBS, the Chief Statisticians informed the Committee that the sanctioned budget of PBS was Rs.2,140,972,000/- and the supplementary grants of Rs.10,600,042,000/- were made and Rs.6,173,158,612/- were utilized up to February, 2017.

11. Replying to a query raised by the Committee, the Chief Statistician, PBS informed that the field activities of the Census exercise would be completed by 25th May, 2017, while the whole exercise will take six to eight months, however, a summary result would be announced within sixty days after the completion of field activities. He said that the employees affected by terrorist attacks and different incidents, whether injured or died were compensated accordingly. He further informed the Committee that Rs.18.5 billion were also allocated for Census activities and out of released amount rupees six billion were passed on to the Army for expenditure to be made in respect of mobilization, maintenance, transportation etc. and rest of the budget would be utilized for transportation of enumerators both civil and armed, Honoraria and training charges to the enumerators, which had already been transferred to the Deputy Commissioners for further disbursement.

### **PRIVATIZATION DIVISION**

12. The Secretary, Privatization Division apprised the Committee about the head-wise details of the budgetary allocation and its utilization, in respect of the Privatization Division and said that the demand No.39 of the Privatization Division covers the annual budget of Privatization Division (Main) and Privatization Commission (PC). He informed the Committee that Rs.47.108/- million was the total allocated budget for the Privatization Division (Main Secretariat) and out of which Rs.26.097/- million were utilized while Rs.100.589/- million were allocated for Privatization Commission, out of which of Rs.44.778/- million were utilized. Upon a query raised by the Committee, he informed that PC board had approved to adopt financial assistance package of Prime Minister and a death claim for rupees six million was under process

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on account of plot and financial assistance to a widow, and some appropriations were also made which caused increase in the head of grant and subsidies.

**CONTROLLER GENERAL OF ACCOUNTS (CGA) & ACCOUNTANT GENERAL  
PAKISTAN REVENUE (AGPR)**

13. While briefing on the budgetary allocation and its utilization in respect of the Controller General of Accounts (CGA), the Secretary, Finance Division raised an objection regarding mandate of the Committee to consider the budgetary allocation and its utilization in respect of attached departments and organizations of the Ministry, as raised by his predecessor last year. The Committee observed that Rule 166 (4) of the Rules of Procedures and Conduct of Business in the Senate, 2012, empowered the Committee to examine the budgetary allocation and its utilization in respect of Ministries/Divisions and attached departments, however, the Committee suggested the Secretary Finance to move an amendment in the said rules in order to restrain the Committee in that regards.

14. The representative of CGA informed the Committee that Grant No.30 of CGA consists of Budget of CGA headquarter and its 15 field accounts offices including AGPR, which were under the budgetary control of CGA. She said that total final grant in respect of CGA was Rs.5.6 billion out of which 68.97 % amount was utilized till March, 2017. Upon a query raised by the Committee, she replied that Rs.4.166 billion were allocated for Employee Related Expenses out of which 72 percent i.e. Rs.3 billion were utilized. She further said that 60% from operating expenses, 72% from Employee related Benefits, 59% from Grants, Subsidies & write of loans/advances, 39% from Transfers, 54% from Physical Assets, whereas, 40% from Repair and Maintenance was utilized so far.

**AUDITOR GENERAL OF PAKISTAN (AGP)**

15. The Secretary Finance informed the Committee that Rs.4.12 billion was the total grant of Auditor General of Pakistan (AGP) out of which 62.43% i.e. Rs.2.57 billion were utilized till February, 2017. Regarding head-wise detail, he said that 62.042 % amount from Employee Related and 63.372 % from heads of other than Employee Related Expenses were utilized till February, 2017, and also gave details of the re-appropriations made so far. Replying to the query raised by the Committee regarding increase in the head of Physical Assets, he responded that it was due to the shifting/establishment of three main offices of the Deputy Auditor Generals from Islamabad to other regions. Upon another query raised by the Committee, he informed that an Acting Auditor General of Pakistan had been appointed as provided in the Constitution, but there was no limit of time period prescribed in the Constitution, however, at present the appointment of a regular Auditor General of Pakistan was under consideration.



### **PAKISTAN MINT**

16. While giving details of budgetary allocations in respect of Pakistan Mint, the Secretary Finance informed the Committee that Rs.5.36 billion were the total allocated budget for Pakistan Mint out of which 53% i.e. Rs.2.86 billion were utilized up to February, 2017. The Committee was of the view that the organizations such as Security Printing Press and Pakistan Mint should be under the administrative control of the State Bank of Pakistan. At that juncture, the Secretary Finance informed the Committee that the said proposal was already under consideration of the Government, however, the Committee would be informed about any progress made accordingly.

### **CENTRAL DIRECTORATE OF NATIONAL SAVINGS (CDNS)**

17. The Secretary Finance Division gave a detailed briefing to the Committee about the budgetary allocation in respect of the Central Directorate of National Savings (CDNS) and said that the total allocation was Rs.2713.045/- million out of which 57% i.e. Rs.1563.304/- million were utilized till February, 2017, and also gave head-wise details. Regarding re-appropriations, he said that mostly re-appropriations were made in the sub-heads of Employee Related Expenses. He informed the Committee that CDNS had recently started scheme of registered prize bonds on the guaranteed interest rates against which impressive response from the general public had been noticed. The issue of special schemes of CDNS for disabled persons and other products were also discussed at length and the Committee was informed that the matter was under consideration in the Finance Division. The Committee recommended that the Finance Division should take immediate steps for making necessary legislation regarding launching of Special Schemes of CDNS in order to provide relief to the disabled persons.

### **BENAZIR INCOME SUPPORT PROGRAM (BISP)**

18. The Secretary BISP gave a detailed briefing on the budgetary allocation in respect of BISP including its all heads of accounts and informed that Rs.115 billion was the total allocated budget, out of which Rs.97 billion from the Government and Rs.18 billion from the Donors, whereas, Rs.57.5 billion were released till February, 2017 out of which Rs.51.87 billion were utilized so far. She informed the Committee that there were three donors i.e. ADB, DFID and World Bank that were funding BISP. Upon a query raised by the Committee, she said that Rs.2.5/- billion was the total budget in respect of BISP Organization only including building, staff, salaries etc., however, Rs.1,192.608/- million were utilized up to February, 2017. Responding to the query, she said that the budgetary utilization was monitored by a Review Audit Committee as well as by the Auditor General of Pakistan. She also informed the Committee that the issues faced by the BISP beneficiaries had also been addressed and the whole system was being converted into bio-metric.

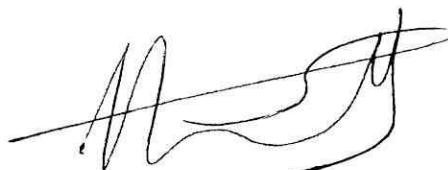


19. After due deliberation, the Committee showed its satisfaction on the budgetary allocation and its utilization in respect of departments mentioned at para 1 above, and disposed of the matter and gave approval for presentation of its report to the House, with the following recommendations:-

- The M/o Finance should take immediate steps to either appoint a separate secretary for the Revenue Division or if not required, the Revenue Division should be merged with the Federal Board of Revenue (FBR).
- The M/o Finance should take immediate steps for making necessary legislation regarding launching of Special Schemes of CDNS in order to provide relief to the disabled persons.



(MUHAMMAD TAHIR KHAN)  
Secretary (Committee)



(SENATOR SALEEM MANDVIWALLA)  
Chairman (Committee)

Islamabad, the  
17<sup>th</sup> July, 2017