

Audit turns spotlight on competition regulator

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The anti-trust watchdog's financial affairs had gone haywire in the last year of the Pakistan Peoples Party government as management of Competition Commission of Pakistan (CCP) gave irregular benefits of about Rs30 million to its members, reveals a latest audit report.

The federal auditors have recommended the president and the parliament to bring the responsible officials to justice and fix responsibility against them for award of illegal benefits and hiring people in violation of rules, according to audit report of fiscal year 2012-13.

The government has not yet tabled the audit report along with other reports of fiscal year 2012-13 in parliament despite the fact that president of Pakistan has already approved the summary.

The federal auditors have framed eight audit objections – involving Rs36.5 million – that also include ‘irregular’ expenses of Rs6.7 million on hiring legal advisers. The report will be discussed in Public Accounts Committee once it is tabled in the National Assembly as per the statutory requirements.

The CCP is a quasi-regulatory

and quasi-judicial body that is entrusted with the responsibility to ensure competition and break monopolies to benefit consumers and businesses alike. The federal government gives annual grants to the CCP as the body is not financially independent.

The management of the CCP irregularly paid about Rs14.5 million to its members on account of various allowances, according to the audit report.

“The management granted (house rent and general purpose loan) advances to the members of the Commission in violation of schedule to rule 4(3) of the Competition Commission Rules of 2009”. The auditors have recommended that the amount should be recovered from the members and the practice should be discontinued immediately.

Further, the management paid an amount of Rs4.3 million to the members appointed in MP-I scales on account of leave fare assistance, security services, mobile phone charges, leave encashment and orderly allowance. “None of these allowances are covered under the 2009 CCP rules”, the report stated. The auditors have also sought recovery of these allowances.

Similarly, management of

AGAINST RULES

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the CCP gave additional charge of the post of director general corporate affairs to Ikramul Haque for three years while rules allow that additional charge cannot be given for more than six months. The CCP paid him an amount of Rs1.7 million as additional charge allowance, which the auditors believe was irregular. The CCP management also purchased vehicles on lease and paid an amount of Rs8.5 million in fiscal year 2012-13. The payment was made as monthly instalments of fourteen leased vehicles, which included an amount of Rs3.2 million as interest and finance charges.

“The audit is of the view that purchase of vehicles on lease basis was a departure from general policy of the government wherein interest charges were also paid in addition to the principal amount, which was unauthorised and irregular”.