



**AUDIT REPORT
ON
THE ACCOUNTS OF
PUBLIC SECTOR ENTERPRISES
GOVERNMENT OF THE PUNJAB
AUDIT YEAR 2023-24**

AUDITOR-GENERAL OF PAKISTAN

Preface

Articles 169 & 170 of Constitution of the Islamic Republic of Pakistan 1973, read with Sections 8, 12 and 15 of the Auditor-General's (Functions, Powers and Terms and Conditions of Service) (Amendment) Act, 2018, require the Auditor-General of Pakistan to conduct audit of the accounts of expenditure from the Provincial Consolidated Fund, Public Accounts and that of Government Commercial Undertakings and Authorities or Bodies established by the Provinces.

This report is based on audit of the accounts of Public Sector Enterprises (PSEs) of Government of the Punjab for the year 2022-23. The Audit Report also contains audit observations of the previous financial years. The Directorate General of Commercial Audit & Evaluation (North) conducted audit during the period July 01, 2023 to November 30, 2023 on test check basis with a view to report significant findings to the relevant stakeholders. The main body of the Audit Report includes only the systemic issues and audit findings carrying value of Rs 1.00 million and more. Relatively less significant issues have been listed in Annex-I. The audit observations listed in Annex-I shall be pursued with the respective Principal Accounting Officers (PAOs) of the Department at Departmental Accounts Committee (DAC) level. In case, the PAOs do not initiate appropriate action, the audit observations will be brought to the notice of Public Accounts Committee through next year's Audit Report. Most of the observations included in this report have been finalized in the light of discussions in the DAC meetings.

The findings of one Impact Audit conducted during this period have been incorporated in Chapter-16 of the Report.

Audit findings indicate the need for adherence to the regularity framework besides institutionalizing and strengthening the internal controls to avoid recurrence of similar violations and irregularities.

There are certain audit paras which were also reported in last years' Audit Reports for the financial years 2013-14 to 2022-23. Recurrence of such irregularities is matter of concern and needs to be addressed.

The Audit Report is submitted to Governor of the Punjab in pursuance of Article 171 of the Constitution of the Islamic Republic of Pakistan 1973, for causing it to be laid before the Provincial Assembly.

Islamabad
Dated:

(Muhammad Ajmal Gondal)
Auditor-General of Pakistan

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ABBREVIATIONS & ACRONYMS

ACCA	Association of Chartered Certified Accountant
ACMA	Associate of Chartered Management Accountant
ACR	Annual Confidential Report
ADP	Annual Development Program
AG	Accountant General
AGP	Auditor-General of Pakistan
AoA	Article of Association
ASTP	Arfa Software Technology Park
BoD	Board of Directors
BoI	Board of Investment
BoM	Board of Management
BoP	Bank of Punjab
BoQ	Bill of Quantity
BPS	Basic Pay Scale
BPV	Bank Payment Voucher
CA	Chartered Accountant
CCA	Chief Contracts Appraisal
CCTV	Closed Circuit Television
CDGF	City District Government Faisalabad
CDM	Clean Development Mechanism
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CGR	Corporate Governance Rule
CIA	Chief Internal Auditor
CM	Chief Minister
CoA	Committee of Administration
COD	Commercial Operation Date
COO	Chief Operating Officer
CPD	Continuous Professional Development
CPPA	Central Power Purchase Agency
CSC	Consultant Selection Committee
CSR	Corporate Social Responsibility
CV	Curriculum Vitae
DAC	Departmental Accounts Committee
DAE	Diploma in Associate Engineering
DAO	District Accounts Office
DBA	District Bar Association

DC	Deputy Commissioner
DDSC	Departmental Development Sub-committees
DEO	Date Entry Operator
DFID	Department for International Development
DG	Director General
DISCOs	Distribution Companies
DS	Deputy Secretary
DSS	Directorate of Social Security
DTL	Drug Testing Laboratory
ECSP	Engineering Consultancy Services Punjab
EGDP	Evidence Generation & Design Program
EOBI	Employees Old Age Benefit Institution
EOI	Expression of Interest
EPA	Energy Purchase Agreement
EPC	Engineering, Procurement and Construction
ERP	Enterprise Resource Planning
FADL	Failure to Achieve Dispatch Level
FAP	Foreign Aided Projects
FBR	Federal Board of Revenue
FD	Finance Department
FIEDMC	Faisalabad Industrial Estate Development And Management Company
FPC	Faisalabad Parking Company
FTIs	Formal Training Institutes
GCT	Government College of Technology
GEPCO	Gujranwala Electric Power Company
GM	General Manager
GSA	Gas Supply Agreement
GST	General Sales Tax
GT	Gas Turbine
GTTI	Government Technical Training Institute
GVTI	Government Vocational and Training Institute
GWFI	Government Weaving and Finishing Institute
HED	Higher Education Department
HMIS	Hospital Management Information System
HR	Human Resource
HRM	Human Resource Management
HRMIS	Human Resource Management Information System
HSD	High Speed Diesel
HTPPL	Hydro Tech Pak (Pvt.) Ltd

ICB	International Competitive Bidding
ICI &SDD	Industries, Commerce, Investment and Skills Development Department
IDAP	Infrastructure Development Authority of the Punjab
IDP	Industry Driven Program
ITHM	Institute of Tourism and Hotel Management
KP	Khyber Pakhtunkhwa
KPIs	Key Performance Indicators
KWh	Kilo Watt per hour
LD	Liquidated Damages
LG&CD	Local Government & Community Development
LKPC	Lahore Knowledge Park Company
LTC	Lahore Transport Company
M&E	Monitoring & Evaluation
MEPCO	Multan Electric Power Company
MFDAC	Memorandum For Departmental Accounts Committee
MHP	Marala Hydro Power
MHPP	Marala Hydro Power Plant
MIS	Management Information System
MIW	Mughalpura Irrigation Workshop
MMC	Management & Manuscript Cost
MMIC	Mashad Meat Industrial Complex
MoA	Memorandum of Association
MRS	Market Rates
MTDF	Medium Term Development Framework
NBP	National Bank of Pakistan
NCB	National Competitive Bidding
NEPRA	National Electric Power Regularity Authority
NFTP	National Freelance Training Program
NICL	National Insurance Corporation Limited
NPCC	National Power Construction Company
NTB	National Testing Board
O&M	Operation and Maintenance
OPM	Oxford Policy Management
P&D	Planning & Development
P&SHD	Primary And Secondary Healthcare Department
PAC	Public Accounts Committee
PAD	Project Appraisal Document
PAMCO	Punjab Agriculture and Meat Company
PAO	Principal Accounting Officer

PBIT	Punjab Board of Investment & Trade
PBTE	Punjab Board of Technical Education
PCTB	Punjab Curriculum & Textbook Board
PEC	Pakistan Engineering Council
PEEF	Punjab Educational Endowment Fund
PEF	Punjab Education Foundation
PESSI	Punjab Employees Social Security Institution
PFR	Punjab Financial Rules
PHA	Parks and Horticulture Authority
PHF	Punjab Health Foundation
PHIMC	Punjab Health Initiative Management Company
PHP	Pakpattan Hydro Power
PHPP	Pakpattan Hydro Power Plant
PIEDMC	Punjab Industrial Estate Development and Management Company
PITB	Punjab Information Technology Board
PLGA	Punjab Local Government Act
PMBMC	Punjab Model Bazaars Management Company
PMDFC	Punjab Municipal Development Fund Company
PO	Purchase Order
POL	Petrol Oil Lubricant
PPDB	Punjab Power Development Board
PPDCL	Punjab Power Development Company Ltd
PPIF	Punjab Population Innovation Fund
PPRA	Punjab Procurement Regulatory Authority
PRA	Punjab Revenue Authority
PSC	Provincial Steering Committee
PSDF	Punjab Skills Development Fund
PSEB	Pakistan Software Export Board
PSEs	Public Sector Enterprises
PSIC	Punjab Small Industries Corporation
PSO	Pakistan State Oil
PST	Punjab Sales Tax
PTC	Punjab Transport Company
PTCB	Punjab Text Book Board
PTCL	Pakistan Telecommunication Company Limited
PTF	Punjab Teachers Foundation
PTPL	Punjab Thermal Power Private Limited
PUNJMIN	Punjab Mineral Development Corporation
QASPL	Quaid -E- Azam Solar Power Private Limited
QATPL	Quaid-E-Azam Thermal Power (Private) Limited

QIE	Quaid e Azam Industrial Estate
RD	Regional Director
RFP	Request for Proposal
RHC	Rural Health Centre
RLNG	Re-Gasified Liquefied Natural Gas
S&GAD	Services & General Administration Department
SBD	Standard Bidding Documents
SBP	State Bank of Pakistan
SDA	Special Drawing Account
SDP	Skills Development Programme
SECP	Security & Exchange Commission of Pakistan
SED	School Education Department
SIE	Small Industrial Estate
SLIC	State Life Insurance Corporation
SNGPL	Sui Northern Gas (Pvt.) Ltd
SOP	Standard Operating Procedures
SSH	Social Security Hospital
SSP	Sehat Sahulat Program
SYIG	Skills for Youth Income Generation
TA/DA	Travelling Allowance/ Daily Allowance
TDCP	Tourism Development Corporation of Punjab Limited
TDR	Term Deposit Receipt
TEVTA	Technical Education And Vocational Training Authority
TMA	Tehsil Municipal Authority
TO	Treasurer Office
ToP	Take or Pay
TORs	Term of References
TPV	Third Party Validation
TSP	Training Service Providers
UK	United Kingdom
UNICEF	United Nations Children's Fund
UPS	Uninterruptible Power Supply
USD	United States Dollar
USP& MSU	Urban Sector Planning & Management Services Unit
WAPDA	Water and Power Development Authority
WASA	Water and Sanitary Authority
WPPF	Workers Profit Participation Fund
WWF	Worker Welfare Fund

EXECUTIVE SUMMARY

The Directorate General of Commercial Audit & Evaluation (DG, CA&E), (North) carries out audit and evaluation of those Public Sector Enterprises (PSEs) established/controlled by Government of the Punjab which maintain their accounts on commercial basis. Sections 8, 12 & 15 of the Auditor-General's (Functions, Powers and Terms and Conditions of Service) (Amendment) Act, 2018 empower the Auditor-General of Pakistan to conduct audit of companies, corporations and authorities established in the public sector.

Out of 30,832 person hours allocated for undertaking field audit activities, 15,840 person hours were utilized for conducting audit of Provincial Public Sector Enterprises of Punjab. The expenditure of these audit activities has been met from annual budget of the Director General, Commercial Audit & Evaluation, (North), Islamabad allocated for the year 2022-23 amounted to Rs 84.760 million. This report contains results of audit inspection and evaluation of financial performance of public sector entities for the financial year 2022-23 conducted during the year 2023-24.

This report also contains comments on the audited annual accounts of eleven (11) public sector enterprises (07 current and 04 arrear) pertaining to the financial year 2022-23. However, comments on fifty one (51) organizations (**Annex-2**) could not be included in this report as the concerned management failed to submit their annual audited accounts by the prescribed date i.e. December 31, 2023.

a. Scope of Audit (Audit Coverage)

This office is mandated to conduct audit of fifty eight (58) formations working under twenty three (23) PAOs. Total expenditure and receipt of these formations were Rs 379.60 billion and Rs 403.35 billion respectively for the financial year 2022-23.

Audit coverage relating to expenditure for the current audit year comprises thirteen (13) formations of ten (10) PAOs having total expenditure of Rs 165.30 billion for the financial year 2022-23. In terms of percentage, the audit coverage for expenditure is 49% of auditable expenditure.

This audit report also includes audit observations resulting from the audit of expenditure of Rs 20.83 billion for the financial year 2021-22 pertaining to (07) formations of six (06) PAOs.

Audit coverage relating to receipts for the current audit year comprises thirteen (13) formations of ten (10) PAOs having total receipts of Rs 191.48 billion for the financial year 2022-23. In term of percentage, the audit coverage for receipts is 52% of auditable receipts.

This audit report also includes audit observations resulting from the audit of receipts of Rs 17.09 billion for the financial year 2021-22 pertaining to seven (07) formations of six (06) PAOs

Furthermore, this audit report includes findings, recommendations and conclusion on one impact audit of Punjab Skills Development Fund (PSDF).

b. Recoveries at the instance of audit

As a result of audit, a recovery of Rs 1,054.405 million was pointed out in this report. Recovery effected from March 2023 to December 2023 was Rs 66.879 million (**Annex-3**).

c. Audit Methodology

Audit methodology for conducting audit of the accounts for the year 2022-23 (including lean period of 2021-22) of the auditee organizations started from audit planning, consulting, and updating their permanent files. Desk audit helped the auditors in understanding the systems, procedures and environment of the entities before starting field activity. This facilitated amply to identify high risk areas for audit tests to be applied in the field. Audit was carried out on the basis of adequacy of internal control system in the organization with specific emphasis on high value items and inherent risk areas. Audit checks were applied keeping in view the nature of transactions, accounting standards and best auditing practices as well as rules and regulations contained in relevant financial and operational manuals.

d. Audit Impact

Audit has contributed towards adding value to the internal control mechanism of organizations and has been able to get compliance of audit recommendations to a greater extent. As a result of audit, management's awareness about weaknesses in internal control mechanisms and overall financial discipline has significantly improved.

e. Comments on Internal Controls and Internal Audit Department

Internal Audit Wings existed in most of the organizations but were working directly under the supervision of the heads of the finance wing. Resultantly, free and fair opinion of the internal audit wing was not forthcoming. The observations relating to violation of rules and regulations by the audited organizations were due to under performance of the internal audit wing. It is stressed that internal audit wing should be placed directly under the supervision of Audit Committee of Board, to make its role more effective and meaningful.

f. Key audit findings of the report

Key Audit findings of this report include the following:

- i. Fourteen (14) cases of irregular appointments -Rs 313.278 million¹.
- ii. Five (05) cases of wasteful expenditure -Rs 188.653 million².
- iii. Nineteen (19) cases of irregular procurement and hiring of services -Rs 921.277 million³.
- iv. Fifteen (14) cases of non-recovery -Rs 747.408 million⁴.

¹ 1.1.4.1, 6.1.4.1, 6.1.4.2, 6.1.4.6, 7.1.4.1, 8.1.4.1, 8.1.4.3, 8.1.4.4, 8.1.4.5, 9.1.4.1, 9.2.4.1, 11.1.4.1, 12.2.4.2, 14.1.4.1

² 6.1.4.4, 9.2.4.9, 13.1.4.8, 13.1.4.10, 13.1.4.11

³ 1.1.4.2, 1.3.4.1, 2.2.4.1, 4.1.4.1, 4.1.4.3, 4.1.4.4, 5.1.4.1, 5.1.4.2, 7.2.4.1, 8.1.4.8, 9.2.4.2, 9.2.4.7, 9.2.4.17, 11.1.4.2, 11.1.4.5, 14.1.4.2, 15.1.4.1, 13.1.4.6, 13.1.4.7

⁴ 1.1.4.5, 1.1.4.7, 5.1.4.5, 5.1.4.8, 5.1.4.9, 7.2.4.5, 7.2.4.7, 8.1.4.11, 8.1.4.13, 11.1.4.7, 12.2.4.3, 14.1.4.3, 15.1.4.5, 13.1.4.1

g. Recommendations

- i. Compliance of government rules and instructions regarding transparent appointments should be implemented in letter and spirit.
- ii. Wasteful expenditure and undue payments should be avoided by observing cannons of financial management.
- iii. Departments should streamline procurement procedures in a way to achieve economy, efficiency, and value for money by observing PPRA Rules, 2014.
- iv. Departments should make efforts for early realization of recoveries and receivables.

Chapter-1

ENERGY DEPARTMENT

Introduction

Pakistan was currently facing an energy crisis and province of the Punjab, with over a 90 million population, was at worst hit. Punjab's power consumption was 68%, with a demand growth of 6-8% per annum. There was a demand-supply gap of 4000 MW. Punjab was facing both electricity and gas load shedding. The Energy Department was established on July 05, 2011. In response to the energy crisis, the Energy Department had a vision of fully tapping Punjab's indigenous energy potential, which was Hydropower, Solar, Biomass and Coal. The Department and its attached bodies were fully engaged with the Federal and international entities, and also encouraging the private sector to invest in the power sector.

Aim & Objective

- Legislation, policy formulation and sector planning,
- Development of a power policy for Punjab
- Standardization of Specifications in respect of electric appliances, machinery and installations
- Acquisition, revocation of amendment of Licenses of Electric Supply Undertaking and approval of loads
- Development of power generation by exploiting hydel, thermal and renewable energy resources
- Energy innovations
- Public private partnerships for energy production, conservation, efficiency and audit
- Award of power projects in Punjab to Pakistani and Foreign Private sector companies

Governing Laws

- The Electricity Act (Punjab Amendment) Ordinance, 1971

- The Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997
- Punjab Power Generation Policy, 2006 (Revised 2009)
- Punjab Power Development Board (PPDB) Act, 2011
- Punjab Electricity Duty Rules, 2012

Formations:-

Punjab Thermal Power (Pvt.) Limited
Punjab Power Development Company
Quaid-e-Azam Hydal Power (Pvt.) Limited
Quaid-e-Azam Solar Power (Pvt.) Limited
Quaid-e-Azam Thermal Power (Pvt.) Limited

(Rs in million)

Sr. No	Description	Total Nos	Audited	Expenditure audited FY 2022-23 (Rs)	Revenue/Receipt audited FY 2022-23(Rs)
1	Formations	5	3	135,386.31	156,803.02
2	Authorities/Autonomous Bodies etc. under the PAO				
3	Foreign Aided Projects (FAP)				

Classified Summary of Audited Observations

Audit observations amounting to Rs 32,218.866 million were raised as a result of this audit. This amount also includes recoverable of Rs 368.896 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rs in million)

Sr. No	Classification	Amount (Rs)
1.	Non-Production of record	-
2.	Reported cases of fraud/Embezzlement and Mis-appropriation	-
3.	Irregularities	
a.	HR/employees related irregularities	71.393
b.	Procurement related irregularities	276.620
c.	Management of Accounts with Commercial Banks	-
4.	Value for money and service delivery issues	962.084
5.	Other	30,908.769

1.1 PUNJAB POWER DEVELOPMENT COMPANY LIMITED

1.1.1 Introduction

Punjab Power Development Company Limited is a public unlisted company, limited by shares, registered on January 15, 2008 under Section 2(1)(30) of the Companies Ordinance, 1984 under Irrigation & Power Department having 94 shares out of total 100 shares. The principal activities for which the Company has been set up include development of power generation projects on fast track basis in public sector by exploiting hydel, thermal and other renewable energy resources and making arrangements for operations and maintenance of all power projects.

The Company is governed by professionals from Public/Private Sector to ensure better co-ordination with stakeholders. It exclusively deals/interacts with the prospective investors both national and international to acquire funds for tapping energy potential of the Province.

1.1.2 Comments on Audited Accounts

The management failed to provide annual audited accounts for the year 2022-23 till December 31, 2023.

1.1.3 Compliance of PAC Directives

No PAC meetings for the years 2014-15 to 2022-23 has been convened so far.

1.1.4 Audit Paras

1.1.4.1 Irregular appointments of officers – Rs 71.393 million

According to judgment of Honorable Supreme Court of Pakistan dated January 19, 1993 in Human Right Case No 104 of 1992, any recruitment, whether adhoc or regular, without proper advertisement, shall be in violation of fundamental rules. Further, according to S&GAD SOR 1-10-1/2003 dated June 16, 2003, re-employment on contract beyond the age of superannuation in all

cases requires approval of the Prime Minister and Chief Minister as the case may be.

During audit of Punjab Power Development Company Limited (PPDCL) for the years 2020-22, certain irregularities were observed in the appointment of three higher management officers. Detail is as under:

(Rs in million)			
Name	Designation	Irregularity	Financial impact (Rs)
Mr. Muhammad Yaqoob	Advisor/GM (Hydel)	Without advertisement and approval of the Chief Minister (CM)	26.960
Mr. Ehsan-ul-Majeed Khan	GM (Procurement & Contracts)	Without approval of CM	29.726
Syed Farukh Ali Shah	CEO	Without Advertisement	14.707
Total			71.393

Due to weak internal controls, management failed to appointment the employees as per rules.

Audit is of the view that the management was required to recruit most suitable persons for the posts but overage persons were hired in a non-transparent manner, which was held irregular.

The matter was reported to the management and Principal Accounting Officer (PAO) on June 23, 2023. The management replied that the appointments was made with approval of Board of Directors to get benefits from multiple expertise.

DAC in its meeting held on September 11, 2023 directed the management to get the matter regularized from Finance Department.

Audit recommends compliance of DAC's directives.

(DP Nos: 19,20,32)

1.1.4.2 Irregular procurement of diving services on quotation basis - Rs 8.101 million

According to clause-12(2) of Punjab Procurement Rules 2014, any procurement exceeding three million rupees shall be advertised on the website of

the Authority, the website of the procuring agency, if any, and in at least two national daily newspapers of wide circulation, one in English and one in Urdu.

During audit of PPDCL for the years 2020-22, it was observed that a sum of Rs 8.101 million was incurred on diving services on quotation basis/without following PPRA Rules, which was held irregular.

Lack of financial control by the management and violation of Punjab Procurement Rules 2014 was the cause of irregularity.

Audit is of the view that management was required to obtain competitive rates through tender whereas quotations were accepted.

The matter was reported to the management and PAO on June 23, 2023. The management did not give any specific reply with respect to hiring of diving services.

DAC in its meeting held on September 11, 2023 directed the management to provide evidence of tendering process. The management did not provide any proof till finalization of the report.

Audit recommends compliance of DAC's directives.

1.1.4.3 Irregular award of contract for trash diversion mechanism – Rs 5.957 million

According to clause-13.4(a)(i)(ii) of Request for Proposal (RFP) of tender for diversion mechanism of Trash, required general experience was completion of at least one project during last five years and completion of one Engineering, Procurement and Construction (EPC) project during last ten years.

During audit of PPDCL for the years 2020-22, it was observed that a tender for trash diversion mechanism was advertised on June 21, 2021. In response of this, three firms submitted bids and only M/s Mian Hydro Construction Engineers was technically qualified, and the contract was awarded for Rs 5.957 million accordingly. The management made irregular technical evaluation and awarded contract to the said company without fulfilling the minimum requirement of completion of one project during last five years. Further, contractor could not provide evidence of experience of one EPC project

executed after its registration with Registrar of Firms in 2015. Thus, contractor did not fulfill technical requirements of bidding documents. This resulted in irregular award of work valuing Rs 5.957 million.

Due to weak internal controls and poor procurement management, the contract was awarded to a firm against the requisite experience.

Audit is of the view that management was required to observe the criteria of bidding documents but the same was not done.

The matter was reported to the management and PAO on June 23, 2023. The management replied that the work was awarded to the qualified bidder as per terms and reference of qualifications.

DAC in its meeting held on September 11, 2023 directed to provide record for verification but the same was not provided till finalization of this report.

Audit recommends compliance of DAC's directives.

1.1.4.4 Loss due to inefficiency of EPC and O&M contractors – Rs 471.031 million

According to National Electric Power Regulatory Authority (NEPRA) approved reference tariff 2015, the annual benchmark generation of Marala Hydro Power Plant (MHPP) is 49.995 million KWh and Pakpattan Hydro Power Plant (PHPP) is 21.671 million KWh.

During audit of PPDCL for the years 2020-22, it was observed that the annual installed capacity of MHPP and PHPP was 66.009 million KWh and 24.364 million KWh respectively. NEPRA approved benchmark in reference tariff less than the installed capacity keeping in view the uncertain events. However, the actual generation of both projects remained much lower than the installed as well as benchmark capacity. The main reason of the inefficiency was defect in design by EPC contractor of PHP project, which was pointed out by consultant for trash clean mechanism. Further, the Operation and Maintenance (O&M) contractor was required to utilize the plants at maximum capacity. The project was failed to achieve the benchmark of generation due to inefficiency.

Resultantly, the management sustained loss of Rs 471.031 million. Detail is as under:

(Rs in million)

Plant	Period	Bench Mark Generation (KWh)	Generation in %age	Actual Generation KWh	Difference of KWh	Rate per KWh approved by NEPRA (Rs)	Loss due to less achievement of benchmark (Rs)
MHPP	July 2020 to June 2022	99,990,000	62.50%	62,493,741	37,496,259	7.6541	287.00
PHPP	July 2020 to June 2022	43,342,000	53.43%	23,156,541	20,185,459	9.117	184.031
	Total						471.031

Lack of over sight and poor management was the cause of irregularity.

Audit is of the view that the management was required to take up the matter with EPC and O&M contractors regarding inefficiency of plants, but did not to do so.

The matter was reported to the management and PAO on June 23, 2023. The management replied that the certain factors affecting efficiency of plant were beyond the control of management. The reply was not convincing as management failed to perform its duties efficiently.

DAC in its meeting held on September 11, 2023 directed to probe the matter through administrative department.

Audit recommends compliance of DAC's directives.

(DP Nos: 13,37)

1.1.4.5 Non-claiming/recovery of difference of tariff from GEPCO and MEPCO – Rs 237.376 million

According to Central Power Purchase Agency CPPA(G) decision dated November 15, 2019, full tariff should be allowed as per National Electric Power Regulatory Authority (NEPRA) approved tariffs, Rs 7.3855/KWh for Pakpattan Hydro Power (PHP) and Rs 8.7977/KWh for Marala Hydro Power (MHP) instead of the current partial tariff. PPDCL can claim the arrears for power generation under sale and purchase of electricity agreement for pre-COD sale from MHP and PHP for the differential between full tariff and pre-COD tariff.

During audit of PPDCL for the years 2020-22, it was observed that the management booked the difference of full and Pre-COD tariffs valuing Rs 237.376 million in its accounts. The management was raising invoices of MHP @ Rs 5.83/kwh and PHP @ Rs 4.77/kwh instead of @ Rs 8.7977/kwh and @ Rs 7.3855/kwh respectively. The management was unable to execute Energy Purchase Agreement (EPA) with Gujranwala Electric Power Company (GEPCO) & Multan Electric Power Company (MEPCO) as per decision of CPPA (G) due to which management could not claim full tariff.

Lack of pursuance on the part of management and Energy Department, Government of the Punjab was the cause of irregularity.

Audit is of the view that management was required to take up the matter with Ministry of Energy (Power Division) to direct GEPCO and MEPCO for signing of Energy Purchase Agreement (EPA) and claim arrears accordingly.

The matter was reported to the management and PAO on June 23, 2023. The management replied that EPA agreement with GEPCO has been signed whereas with MEPCO is in process. It was further added that PPDCL shall recover full tariff as soon as the EPA comes into force.

DAC in its meeting held on September 11, 2023 pended the para for recovery.

Audit recommends compliance of DAC's directives.

1.1.4.6 Non-recovery of insurance payment claims – Rs 72.708 million

According to Section 118 of the Insurance Ordinance, 2000, it shall be implied term of every contract of insurance that where payment on a policy issued by an insurer becomes due and the person entitled thereto has complied with all the requirements, including filing of complete papers, for claiming the payment, the Insurer shall, if he fails to make the payment within a period of ninety days from the date on which the payment becomes due or the date on which the claimant complies with the requirements, whichever is later, pay as liquidated damages.

During audit of PPDCL for the years 2020-22, it was observed that management lodged insurance claim of Rs 72.708 million of Turbine Gears No.2 of PHPP on August 24, 2021 to M/s National Insurance Company Limited (NICL) against insurance policy, which were pending for payment till close of audit.

Slackness and negligence on the part of management was the cause of irregularity.

Audit is of the view that the management was required to pursue the insurance claims with M/s NICL but same was not done despite lapse of considerable time.

The matter was reported to the management and PAO on June 23, 2023. The management replied that the matter for settlement of insurance claims were being pursued actively.

DAC in its meeting held on September 11, 2023 directed for an early realization of insurance claim.

Audit recommends compliance of DAC's directives.

1.1.4.7 Loss on account of insurance premium due to production less than benchmark - Rs 40.261 million

According to National Electric Power Regulatory Authority (NEPRA) approved reference tariff 2015, the benchmark generation of MHPP is 49.995 million KWh and PHPP is 21.671 million KWh.

During audit of PPDCL for the years 2020-22, it was observed that the management incurred insurance expenses of Rs 118.004 million for MHPP and PHPP. NEPRA allowed insurance component Rs 0.9630/ KWh for MHPP and Rs 0.7584/ KWh for PHPP. If both plants were operated on benchmark capacity, the whole insurance expenses could have been recovered. Due to less generation company could recover Rs 77.743 million insurance expenses and suffered loss of Rs 40.261 million (Rs 118.004 million – Rs 77.443 million). Detail is under:

(Rs in million)

Plant	Insurance period	insurance charges allowed per KWh	Bench Mark Generation (KWh)	Actual Generation (KWh)	Insurance to be recovered at bench mark generation (Rs)	Insurance recovered on actual generation (Rs)
1	2	3	4	5	6 (4*3)	7 (5*3)
MHPP	July 2020 to June 2022	0.9630	99,990,000	62,494,741	96.290	60.181
PHPP	July 2020 to June 2022	0.7584	43,342,000	23,156,541	32.870	17.562
	Total				129.16	77.743

Lack of project and financial management was the cause of irregularity.

Audit is of the view that management was required to affect recovery of extra payment of insurance premium from respective Distribution Companies (DISCOs) but same was not done.

The matter was reported to the management and PAO on June 23, 2023. The management replied that matter has been taken up with NEPRA for tariff true up and reimbursement of actual insurance premium paid.

DAC in its meeting held on September 11, 2023 directed to take up the matter with NEPRA for its realization at the earliest.

Audit recommends compliance of DAC's directives.

1.1.4.8 Loss due to payment of excess insurance premium than approved limit by NEPRA in tariff determination – Rs 13.551 million

According to Tariff Determination by NEPRA dated February 04, 2015 of Pakpattan Hydro Power Plant, the Authority had decided to allow to the petitioner, insurance during operations upto 1.35% of the allowed EPC cost, in accordance with the established benchmark.

During audit of PPDCL for the years 2020-22, it was observed that insurance coverage for Pakpattan Hydro Power Plant was paid excess than approved limited by NEPRA during tariff determination in 2015. This resulted in

loss of Rs 13.551 million due to payment of excess insurance premium. Detail is as under:

(Rs in million)

Year	Approved EPC Cost (US\$ in million)	Insurance component @1.35% of the EPC Cost (US\$ in million/@ Rs 102.93)	Annual premium paid (Rs)	Excess %age	Excess insurance premium (Rs)
2019-20	11.827	16.434	18.079	0.14	1.645
2020-21	11.827	16.434	19.722	0.27	3.288
2021-22	11.827	16.434	19.886	0.28	3.452
2022-23	11.827	16.434	21.600	0.42	5.166
	70.962	98.604	111.75		13.551

Lack of pursuance on the part of management was the cause of irregularity.

Audit is of the view that the management was required to pursue with M/s NICL to keep the insurance component within limits approved by NEPRA and recover the difference from DISCOs.

The matter was reported to the management and PAO on June 23, 2023. The management replied that the difference of insurance premium would be realized as and when true up tariff is finalized.

DAC in its meeting held on September 11, 2023 directed the management to expedite the finalization of true up tariff.

Audit recommends compliance of DAC's directives.

1.1.4.9 Non-repayment of government loan – Rs 283.480 million

According to Article-I (1.1) (b) of the agreement signed between Punjab Power Development Company Limited and Secretary, Government of the Punjab Finance Department, if the payment is not made on the due dates in accordance to amortization schedules, penalty on the defaulted amount @ 4% per annum shall be paid by the company.

During audit of PPDCL for the years 2020-22, it was observed that a sum of Rs 283.480 million was received as seed money and operational expenses from Government of the Punjab with interest of 0.25% per annum from 2013 to

2017. First two loans were required to be repaid till 2020-21 and third till June 2022 but no repayment was made.

Poor financial management resulted in non-repayment of loan installments and expected imposition of penalty due to non-repayment of loan.

Audit is of the view that management was required to make repayment of loan in order to avoid default and imposition of 4% penalty.

The matter was reported to the management and PAO on June 23, 2023. The management replied that Finance Department has been requested for rescheduling of loan.

DAC in its meeting held on September 11, 2023 directed the management to get the loan re-scheduled from Finance Department at the earliest.

Audit recommends compliance of DAC's directives.

1.1.4.10 Payment of HR cost to O&M contractors without obtaining documentary evidence of hiring – Rs 123.447 million

According to RFP for O&M services for Power Project, eighty seven staff members having specific portfolios were to be hired for operation and maintenance of project.

During audit of PPDCL for the years 2020-22, it was observed that management paid salaries of operational staff to M/s Hydro Tech Pak (Private) Ltd and Al Fajar International, the O&M Contractors, without obtaining documentary evidence regarding hiring of staff according to portfolios given in RFP. This resulted in doubtful payment of HR cost worth Rs 123.447 million (Rs 21.507 million of M/s Hydro and Rs 101.940 million of M/s Al-Fajar).

Lack of financial management is the cause of irregularity.

Audit is of the view that the management was required to ensure that contractor hired same number of staff with relevant portfolio for which salary of staff was claimed.

The matter was reported to the management and PAO on June 23, 2023. The management replied that all payments were made as per agreements. The

reply was not tenable as payment was being made without obtaining documentary evidence.

DAC in its meeting held on September 11, 2023 directed the management to provide detailed record pertaining to Human Resource hired by O&M contractors for verification. The same was not provided till finalization of this report.

Audit recommends compliance of DAC's directives.

(DP Nos: 31,54,58)

1.1.4.11 Non-payment of Workers Profit Participation Fund and Workers Welfare Fund – Rs 37.405 million

According to Section-3(1)(a) &(b) of Companies Profit (Workers Participation) Act 1968, every company shall establish a Workers Participation Fund @ 5% of its profits as soon as the accounts for the year are finalized but not later than nine months after close of that year. According to clause-4(1) of the Punjab Workers Welfare Fund Act, 2019, every establishment or part thereof, the total income of which in any year of account commencing on or after the date of closing of accounts is not less than rupees five hundred thousand, shall be liable to pay to the Fund in respect of 333that year a sum equal to two percent of its total income.

During audit of PPDCL for the years 2020-22, it was observed that provision of Workers Profit Participation Fund (WPPF) and Workers Welfare Fund (WWF) was being made in every year, which accumulated to Rs 37.405 million on June 2022. But the management neither established separate fund for WPPF nor made payment to WWF in violation of the above rules.

Lack of compliance of the Workers Profit Participation Fund and Workers Welfare Fund provisions was the cause of irregularity.

Audit is of the view that management was required to open fund account in respect of WPPF and make payment to WWF, which was not done.

The matter was reported to the management and PAO on June 23, 2023. The management replied that Human Resource (HR) Committee has

recommended for establishment of fund, which will be placed before the Board of Directors (BoD) for approval in forthcoming meeting.

DAC in its meeting held on September 11, 2023 directed the management to place the matter before the BoD on priority basis.

Audit recommends compliance of DAC's directives.

1.1.4.12 Non-payment of social security contribution by the EPC contractors – Rs 16.195 million

According to clause 22.2.3(a) of the General Conditions of the Contract with the EPC Contractors of Marala, Pakpattan, Chianwali & Deg Outfall Hydro Power Plants, the contractor shall comply with all the relevant Labor Laws applicable to the Contractor's Personnel, including Laws relating to their employment, health, safety, welfare, immigration and emigration, and shall allow them all their legal rights. Further, according to PESSI Ordinance 1965, at the end of each month, the employer is required to pay social security contribution to PESSI @ 6% of wages of employees in case of numbers of employees.

During audit of PPDCL for the years 2020-22, it was observed that M/s SINOTEC-SHPE-SKAFFS JV was awarded EPC contract of four power plants. The contractor was responsible to pay social security contribution of its employees deployed on these projects as per contract. But the management neither bothered to confirm contribution payment by the contractor nor deducted the same. This resulted into non-payment of social security contribution to PESSI valuing Rs 16.195 million.

Due to weak contract management, management failed to implement the contract in letter and spirit.

Audit is of the view that management was required to ask the contractors to provide documentary evidence regarding registration of labour employed in these projects and payment of social security contribution but no such documentary evidence was obtained by PPMU.

The matter was reported to the management and PAO on June 23, 2023. The management replied that this para does not relate to PPDCL and should be transferred to PPMU.

DAC in its meeting held on September 11, 2023 directed the management to submit revised reply after getting response from PPMU. The same was not provided till finalization of this report.

Audit recommends compliance of DAC's directives.

1.1.4.13 Loss to company due to auxiliary consumption in power generation beyond permissible limit – Rs 10.714 million

According to NEPRA Tariff determination dated February 04, 2015, February 12, 2015 for Pakpattan and Marala Hydro Power Plants respectively, the Auxiliary consumption of 1% was allowed by NEPRA. Further, according to Technical Specifications of O&M Contract of PHP with M/s Hydro Tech Pak (Pvt.) Ltd dated March 21, 2019, auxiliary consumption was to be 1% of total generation.

During audit of PPDCL for the years 2020-22, auxiliary consumption was observed 1.71% in MHPP and 4.4% in PHPP in power generation against the admissible limit of 1% for both Projects. Resultantly, the company had to sustain loss of Rs 10.714 million due to excess consumption. Detail is as under:

(Rs in million)

Plant	Period	Power Generated KWh	Auxiliary Consumption (KWh)	Auxiliary Permissible @ 1% (KWh)	Excess (KWh)	NEPRA Rate in Rs / KWh	Total (Rs)
MHPP	July 2020 to June 2022	62,493,741	1,068,803	624,937	443,866	7.6541	3.397
PHPP	July 2020 to June 2021	23,156,541	1,034,050	231,565	802,485	9.1177	7.317
	Total						10.714

Lack of oversight by the PPDCL management was the cause of irregularity.

Audit is of the view that management should have proper control over the activities of O&M Contractor but auxiliary consumption was being reported beyond limit.

The matter was reported to the management and PAO on June 23, 2023. The management replied that electricity requirement for maintenance activities during canal closure are met from the connecting grid station, which resulted this increase. The reply was not tenable as management was required to remain within the permissible limit of auxiliary consumption.

DAC in its meeting held on September 11, 2023 directed the management to take up the matter with NEPRA for revision of the limit.

Audit recommends compliance of DAC's directives.

1.1.4.14 Wasteful expenditure due to non-processing/ obtaining carbon credits under CDM – Rs 6.357 million

According to the Reference Tariff of Pakpattan Hydro Power Plant approved by NEPRA on February 04, 2015, the petitioner (PPDCL) shall process and obtain emissions / carbon credits expeditiously and credit the proceeds to the power purchaser as per the applicable Government policy and the terms and conditions agreed between the petitioner and the power purchaser.

During audit of PPDCL for the years 2020-22, it was observed that Punjab Power Management Units (PPMU) hired consultancy firm for capacity building and Clean Development Mechanism (CDM) of its five Hydro Power Projects costing Rs 6.357 million. The purpose of this consultancy agreement was to work out carbon credits in order to sell in market. However, management did not sell even single carbon credit under CDM since start of operations.

Lack of vigilance on the part of management was the cause of irregularity.

Audit is of the view that management was required to obtain carbon credits but no case was processed for obtaining carbon credits.

The matter was reported to the management and PAO on June 23, 2023. The management replied that this para does not relate to PPDCL and should be transferred to PPMU.

DAC in its meeting held on September 11, 2023 directed the management to submit revised reply after getting response from PPMU but the same was not provided till finalization of this report.

Audit recommends compliance of DAC's directives.

1.1.4.15 Non-rectification of leakage/ seepage through upstream breast walls of Pakpattan Power Plant by EPC Contractor and non-deduction of damages

According to 27.2 of the EPC Contract dated September 24, 2011 with M/s SINOTEC-SHPE-SKAJS JV of Pakpattan Hydropower Project (PHP), the defect liability period shall be five hundred and forty days (540-days) from the completion of facilities (or any part thereof) or one year from the date of operational acceptance of the Facilities (or any part thereof), whichever first occurs.

During audit of PPDCL for the years 2020-22, it was observed that the issue of concrete in the breast wall of PHP was found in August 2015, and it was decided to pour concrete in that area but issue was not resolved. During routine inspection of the Pakpattan Power Plant at different occasions, massive water seepage through upstream breast wall in machine hall and cable trench between both units was observed. The project was completed February 2017, but the issue was not resolved during EPC phase as well as defect liability period. This needed to be rectified on priority basis but same was not rectified by the EPC contractor till May, 2023.

Lack of professionalism on the part of consultant and lack of pursuance on the part of management was the cause of irregularity.

Audit is of the view that consultant was required to address the seepage issue at the breast wall of Trash Rack Area/ upstream breast wall of the power house but due to lack of professionalism the issue was not resolved.

The matter was reported to the management and PAO on June 23, 2023. The management replied that the management was fully aware of the issue and allocated budget in 2023-24 to conduct a study to identify the remedial measures.

The reply was not tenable as issue pertained to EPC phase and it should have been rectified at the cost of EPC contractor.

DAC in its meeting held on September 11, 2023 directed the management to conclude the study and implement its recommendations under intimation to audit.

Audit recommends compliance of DAC's directives.

1.2 Punjab Thermal Power (Pvt.) Limited (PTPL)

1.2.1 Introduction

Punjab Thermal Power (Pvt.) Limited is a private limited company by shares incorporated under the aegis of Companies Ordinance, 1984 (now Companies Act 2017). The PTPL is owned by the Government of the Punjab through Energy Department. The objective of the company is to establish and maintain 1200 MW Re-Gasified Liquefied Natural Gas (RLNG) based Thermal Power Plants in Punjab within the stipulated timeline in view of intense power shortage. The land measuring 578-Kanals has been purchased for the project, whereas, Government of the Punjab already injected US\$ 180 million as equity and expected to inject the remaining sum shortly.

1.2.2 Comments on Audited Accounts

1.2.2.1 The working results of the company for the year 2022-23 as compared to previous years are as under:

(Rs in million)					
Particulars	2022-23	% Inc/ (Dec)	2021-22	% Inc/ (Dec)	2020-21
Revenue from contract with customer	21,346.763	-	-	-	-
Cost of Sales	22,773.635	-	-	-	-
Gross Profit/ (Loss)	(1,426.872)	-	-	-	-
Other Income	1,509.715	128.03	662.079	5.63	701.568
Administrative Expenses	469.064	67.11	280.692	4.82	267.78
(Loss)/ Profit from Operations	(386.221)	201.27	381.387	12.08	433.788
Finance Cost	1,283.000	2,3712.18	5.388	255.64	1.515
(Loss)/ Profit before Taxation	(1,669.221)	543.94	375.999	13.02	432.273
Taxation	220.940	3.48	228.895	0.44	227.898
(Loss)/ Profit for the year	(1,890.161)	1,384.91	147.104	28.02	204.375

(Source: Annual Audited Accounts for 2022-23)

Cost of sales of the company for the year 2022-23 was Rs 22,773.635 million against the revenue from contract Rs 21,346.763 million showing gross loss of Rs 1,426.872 million. The excess cost of sales needs justification.

1.2.2.2 Profit of the company was Rs 147.104 million in the year 2021-22 but decreased/ converted into loss valuing Rs 1,890.161 million in the year 2022-23 showing a decrease of 1,384.91% in profit which needs justification.

1.2.2.3 Finance cost increased to Rs 1,283.00 million in the year 2022-23 from Rs 5.388 million in the year 2021-22 showing an increase of 2,3712.18%. The reasons for huge increase in finance cost needs justification.

1.2.2.4 Long term deposits increased from Rs 11.092 million in the year 2021-22 to Rs 31.170 million in the year 2022-23 registering an increase of 181.01%. Abnormal increase in these deposits needs clarification including the detail of nature, purpose and markup if earned, approval of competent authority for categorizing these as non-current assets as no detail was provided in notes to the accounts.

1.2.2.5 Trade debts increased to Rs 19,308.357 million in the year 2022-23 against Nil in the year 2021-22. According to note 8.2 any late payments made by CPPA-G shall bear interest at a rate of three months KIBOR plus two percent per annum, calculated for the actual number of days for which the relevant amounts remain unpaid. Latest position of recovery along with detail of mark up on late payments may be provided.

1.2.2.6 Inventories increased to Rs 3,840.570 million in the year 2022-23 against Nil in the year 2021-22. This showed that huge amount was blocked at year end due to non-utilization of inventories and may cause loss due to obsolescence, damage or theft. Complete detail of these inventories including requirements, economic order quantity levels, approvals, method of procurement, suppliers, utilization and reasons for non-utilization till date may be provided in order to ensure that stock was procured as per genuine needs of the company.

1.2.2.7 Prepayments under the head advances, prepayments, deposits and other receivables increased from Rs 3.776 million in the year 2021-22 to Rs 7.241 million in the year 2022-23 registering an increase of 91.76%. Huge increase in these expenses along with detail of nature, to which these were given, approvals from competent authority, provision of relevant rules and latest position of recovery may be provided.

1.2.2.8 Advances to executives/ employees under the head advances, prepayments, deposits and other receivables increased from Rs 4.402 million in the year 2021-22 to Rs 14.411 million in the year 2022-23 registering an increase of 227%. Abnormal increase in these expenses along with detail of nature, to which these were given, approvals from competent authority, provision of relevant rules and latest position of recovery may be provided.

1.2.2.9 Sales tax receivable under the head advances, prepayments, deposits and other receivables increased from Rs 1,971.306 million in the year 2021-22 to Rs 2,712.727 million in the year 2022-23 registering an increase of 37.61%. Constant increase and non-recovery needs clarification. Efforts may be made for early recovery.

1.2.2.10 Receivable from Engineering, Procurement and Construction (EPC) contractor under the head advances, prepayments, deposits and other receivables increased to Rs 3,410.430 million in the year 2022-23 against a Nil in the year 2021-22. Latest position of recovery may be provided.

1.2.2.11 Receivable from CPPA-G against corporate taxes under the head advances, prepayments, deposits and other receivables increased to Rs 45.894 million in the year 2022-23 against a Nil in the year 2021-22. Latest position of recovery may be provided.

1.2.2.12 Other receivables under the head advances, prepayments, deposits and other receivables increased from Rs 0.257 million in the year 2021-22 to Rs 4.401 million registering an increase of 1,612.45%. Abnormal increase along with nature, detail to which these were given, approvals from competent authority, provision of rules and latest position of recovery may be provided.

1.2.2.13 Long term financing- secured increased from Rs 36,541.045 million in the year 2021-22 to Rs 74,588.042 million in the year 2022-23 registering an increase of 104.12%. Abnormal increase in long term liabilities needs justification along with detail of nature, requirement, approvals from competent authority, repayment schedule and actual details of repayments may be provided in order to ensure the genuineness of long term loan.

1.2.2.14 Staff retirement benefits increased from Rs 58.280 million in the year 2021-22 to Rs 94.530 million in the year 2022-23 registering an increase of 62.19%. Huge increase in liabilities despite the fact that average number of employees were same i.e. 81 in both years. This needs justification along with detail of specific funds/ plan assets available for payment of these liabilities.

1.2.2.15 Payable to contractors under the head trade and other payables increased to Rs 905.244 million in the year 2022-23 against a Nil value in the year 2021-22. Detail of these payable along with current position of payments may be provided.

1.2.2.16 Payable to consultants increased from Rs 42.101 million in the year 2021-22 to Rs 280.467 million in the year 2022-23 registering an increase of 566.18%. Reasons for such huge increase along with complete detail of the nature of services, method of hiring, approvals from competent authority, names of consultants and final disposal of cases may be provided.

1.2.2.17 Retention money payable increased from Rs 4,836.158 million in the year 2021-22 to Rs 6,524.051 million in the year 2022-23 registering an increase of 34.90%. Constant increase and non-refund of retention money needs clarification along with detailed breakup of contracts for which these funds were deposited with the company, parties to whom these were to be refunded, original date of refund, date on which these were actually refunded to the concerned parties and reasons for non-refund till date.

1.2.2.18 Provision for EPC related works/ equipment increased from Rs 14,661.193 million in the year 2021-22 to Rs 15,149.092 million in the year 2022-23 registering an increase of 3.33%. Constant increase in provision and non-payment of such huge amounts needs clarification along with complete detail of provisions made and actual payments made against these provisions and final treatment of outstanding amounts.

1.2.2.19 Accrued and other liabilities under the head trade and other payables increased from Rs 394.025 million in the year 2021-22 to Rs 1,220.670 million in the year 2022-23 registering an increase of 209.79%. Reasons for such huge increase in these liabilities along with complete detail of these liabilities booked

and actual payments made against these and final fate of outstanding liabilities may be provided.

1.2.2.20 Short term borrowing increased to Rs 9,296.286 million in the year 2022-23 against Nil value in the year 2021-22. This was obtained to maintain working capital of the company and carries markup/ musharaka profit at the rate of three month KIBOR plus 2% per annum. Management is stressed to maintain working capital requirements through its own funds in order to avoid payments of markup and to make the company more sustainable.

1.2.2.21 Provision for taxation less payments increased from Rs 0.925 million in the year 2021-22 to Rs 4.828 million in the year 2022-23 registering an increase of 421.95%. Moreover, as per power policy 2015, the company has requested Private Power and Infrastructure Board (PPIB) and Ministry of Finance, GoP to make appropriate amendment in income tax laws. Reasons for such huge increase in provision for taxation including complete detail of nature, actual payment against these provisions and final fate of this provision may be provided along with current status of exemption matter and efforts made by the management for tax exemption.

1.2.2.22 Land under the head operating fixed assets increased to Rs 450.618 million in the year 2022-23 against a Nil value in the year 2021-22. Reasons for acquisition of land along with complete detail of land including need for land, its approval from competent authority, purpose, its subsequent utilization, land transfer title documents may be provided.

1.2.2.23 Vehicles amounting to Rs 12.340 million were acquired during the year 2022-23. Complete detail of vehicles including need for vehicles, purpose, approvals from competent forum, funds utilized, source of funds, allocation of vehicles may be provided.

1.2.2.24 Exchange loss under the head capital work in progress increased from Rs 1,736.642 million in the year 2021-22 to Rs 3,712.885 million in the year 2022-23 registering an increase of 113.79%. Reasons for constant increase in exchange loss along with detail of items against which this was booked, measures taken over the years to avoid the company from such losses may be provided.

1.2.2.25 O&M mobilization cost under the head capital work in progress increased from Rs 144.432 million in the year 2021-22 to Rs 1,648.460 million in the year 2022-23 registering an increase of 1,041.34%. Reasons for such huge increase along with complete detail including nature, purpose, approvals from competent authority, source of funds utilized may be provided.

1.2.2.26 Others under the head capital work in progress increased from Rs 9.080 million in the year 2021-22 to Rs 25.136 million in the year 2022-23 registering an increase of 176.83%. Reasons for such huge increase along with complete detail including nature, purpose, approvals from competent authority, source of funds utilized may be provided.

1.2.2.27 Rent, rate and taxes under the head administrative expenses increased to Rs 10.540 million in the year 2022-23 against a Nil value in the year 2021-22. Reasons for such huge increase along with complete detail including nature, purpose, approvals from competent authority, sources of funds and actual funds paid may be provided.

1.2.2.28 Office supplies and entertainment expenses under the head administrative expenses increased from Rs 8.721 million in the year 2021-22 to Rs 14.580 million in the year 2022-23 registering an increase of 67.18%. Huge increase needs justification along with complete detail of expenses including nature of expenses, requirement, approvals from competent authority, funds utilized and sources from which payments were made.

1.2.2.29 Travelling and lodging cost increased from Rs 7.920 million in the year 2021-22 to Rs 34.155 million in the year 2022-23 registering an increase of 331.25%. Abnormal increase in expenses needs clarification along with complete detail including nature, purpose, approvals, meetings attended, minutes and implementation of decisions.

1.2.2.30 Director's fee increased from Rs 5.550 million in the year 2021-22 to Rs 9.150 million in the year 2022-23 registering an increase of 64.86%. Abnormal increase in the fee along with complete detail including approved rates of fee, meetings attended, member wise schedule of meetings

attended and fee paid, minutes of meetings and implementation status of decisions taken needs to be clarified.

1.2.2.31 Legal and professional charges under the head administrative expenses increased from Rs 14.019 million in the year 2021-22 to Rs 59.892 million in the year 2022-23 registering an increase of 327.22%. Reasons for such huge increase along with complete detail including list of cases, method adopted for hiring, list of experts hired, approvals from competent authority, funds incurred, sources of funds from which these payments were made, case wise disposal status may be provided.

1.2.2.32 Others under the head administrative expenses increased from Rs 0.964 million in the year 2021-22 to Rs 4.834 million in the year 2022-23 registering an increase of 401.45%. Reasons for abnormal increase in the expenses along with complete detail including nature, requirements, approvals from competent authority, funds utilized, sources of funds, purpose of these expenses and final outcome may be provided.

1.2.2.33 Reimbursement of expenses and others including retirement benefits increased from Rs 0.455 million and Rs 1.630 million in the year 2021-22 to Rs 1.592 million and Rs 3.773 million in the year 2022-23 respectively. Huge increase in these expenses needs clarification along with complete detail including nature, list of expenses, approvals from competent authority, purpose of expenses.

1.2.3 Compliance of PAC Directives

No PAC meeting for the years 2014-15 to 2022-23 has been convened so far.

1.3 Quaid-e-Azam Solar Power (Pvt.) Limited (QASPL)

1.3.1 Introduction

Quaid-e-Azam Solar Power (Private) Limited (QASPL) was incorporated as a private limited company under the Companies Ordinance 1984 (now Companies Act 2017) on September 16, 2013. The principal activity of the company is to build, own, operate and maintain a solar power plant having a total capacity of 100 MW in Lal Sohanra, Cholistan, Bahawalpur. The registered office of the company is situated at 3rd Floor, 83A-E1 Gulberg III, Main Boulevard, Lahore, Pakistan. The company achieved Commercial Operation Date (COD) on July 15, 2015. National Electric Power Regularity Authority (NEPRA) has granted generation license to the company, which is valid till December 30, 2039.

1.3.2 Comments on Audited Accounts

1.3.2.1 The working results of the company for the year 2022-23 as compared to the previous years are as under:-

(Rs in million)

	2022-23	%Inc /(Dec)	2021-22	%Inc /(Dec)	2020-21
Sales	4,796.364	20.14	3,992.264	11.80	3,570.84
Cost of sales	1,037.918	10.55	938.838	5.07	893.556
Gross profit	3,758.446	23.09	3,053.426	14.05	2,677.29
Administrative Expenses	159.982	21.35	131.83	49.34	88.273
Corporate Social Responsibility	4.116	5.12	4.338	-	-
Other Charges	117.317	132.38	50.486	42.95	88.492
Other income	643.856	263.92	176.923	50.07	354.313
Operating Profit	4,120.887	35.39	3,043.695	6.62	2,854.83
Finance cost	843.166	20.70	698.548	2.03	713.049
Profit before Taxation	3,277.721	39.77	2,345.147	9.50	2,141.78
Taxation	289.126	102.46	142.81	203.49	(137.989)
Profit for the year	2,988.595	35.70	2,202.337	9.91	2,003.80
Earning Per Share	7.844	35.71	5.78	9.89	5.26

(Source: Audited Annual Accounts)

As a result of meeting of dispute resolution committee held on Feb 08, 2021, 6.653 million Kwh units amounting to Rs 54.524 million (excluding sales tax) was booked and invoice raised during financial year 2020-21 but the same was not accepted by CPPA till close of financial year 2022-23. Reasons for non-acceptance of invoices by CPPA and current status thereof need to be shared with audit.

1.3.2.2 Long term finance decreased from Rs 3,701.800 million to Rs 2,180.088 million from 2021-22 to 2022-23 registering a decrease of 58.89%, whereas mark up on long term loan increased from Rs 678.146 million to Rs 827.516 million registering an increase of 22.03% . Disproportionate increase in finance cost despite reduction in long term finance needs justification.

1.3.2.3 Mark-up of energy invoices of Rs 82.903 million during the year 2022-23 represents amount against interest on late payments but the same was not invoiced till the close of financial year 2022-23. Reason for non-invoicing the agreed markup need to be shared with audit.

1.3.2.4 Corporate Social Responsibility reserves increased from Rs 195.462 million in 2021-22 to Rs 213.346 million in 2022-23 registering an increase of 9%. While spending under the head is just Rs 7.202 million which showed inefficiency on the part of management. Management needs to make comprehensive plan for effective utilization of funds and discharge its CSR responsibility.

1.3.2.5 Other charges of the company increased from 50.486 million in 2021-22 to Rs 117.317 million in financial year 2022-23 by registering the increase of 132.80%, which mainly due to loss in foreign exchange which increased from Rs 15.955 to Rs 54.516 million registering an increase of 242%. Management need to be vigilant and use hedging or other financial tactics as payment to foreign contractors and consultants is a routine matter in the company.

1.3.2.6 Legal and professional charges increased from Rs 1.800 million during the year 2021-22 to Rs 8.622 million during the year 2022-23 registering an increase of 377.78%. Abnormal increase in these expenses needs justification

along with detail of method adopted for hiring of these legal consultants/ advisors.

1.3.2.7 In financial statements huge liabilities under contingencies and commitment was shown. These liabilities were due to dispute between company and PRA, Local Government Department and FBR. All these cases are subjudice and pending from 2017-18. Management is stressed upon to made efforts for early adjustments of these liabilities.

1.3.2.8 Consultancy charges under cost of sales increased from Rs 2.811 million in 2021-22 to Rs 4.356 million in 2022-23 registering an increase of 55%. No breakup of consultant was provided in the financial statement. List of consultant hired along with the type of consultancy and payment made to them need to be provided.

1.3.2.9 Chief executive of the company received bonus of Rs 4.099 million in 2022-23 as against of Rs 1.674 million in 2021-22 registering an increase of 145% while profit of company increased by just 36%. Not linking the bonus with profit and disproportionate increase in bonus needs justification along with approval from BoD.

1.3.2.10 While reviewing the compliance of Corporate Governance Rules 2013, it was found that company failed to comply with the rule 8(1), 8(2) and 22 during 2022-23. Justification for non-compliance of the mentioned rule and current status thereof need to be provided to audit.

1.3.3 Compliance of PAC Directives

No PAC meetings for the years 2014-15 to 2022-23 has been convened so far.

1.3.4 Audit Paras

1.3.4.1 Irregular award of contract in violation of PC-1 – Rs 229.273 million

According to clause 11 of PC-1 of Provision of Electricity to Communities using Indigenous Resources that Solar System shall be procured installed commissioned and operated as a single package on International Competitive Bidding(ICB) process under PPRA Rules 2014. International firms having local

partners may participate in bidding subject to their registration in SECP, BOI & PEC (which ever applicable as per Rules/ Policy)

During audit of Quaid-e-Azam Solar Power Private Limited (QASPL) for the year 2022-23, it was observed that PC-I for “Provision of Electricity to Communities using Indigenous Resources” was approved valuing Rs 250 million for energy solution of 05 districts (Rajanpur, Rahim Yar Khan, Muzaffargarh, Bahawalnagar & Multan) using indigenous resources to off grid villages of far-flung area. As per PC-I, the solar system was to be procured, installed, commissioned and operated as a single package on International Competitive Bidding (ICB) process under PPRA Rules 2014. But the management split the work into 6 packages and adopted National Bidding Process and ignored ICB/criteria as mentioned in PC-1 and awarded the contracts for Rs 229.273 million.

Due to weak internal controls, provisions of PC-I were violated.

Audit is of the view that the management was required to follow provisions of PC-1 regarding procurement/installation of solar system but same was not done.

The matter was reported to the management and PAO on October 30, 2023. The management replied that all the awards were made in a timely manner with wide competition. The reply of management was not convincing as management violated provision of PC-1

DAC in its meeting held on December 13, 2023 directed the management to refer the matter to Finance Department for condonation of the violation of PC-1.

Audit recommends compliance of DAC’s directives.

1.3.4.2 Irregular hiring and excess payment to the consultants in violation of PC-I – Rs 22.442 million

According to management structure and manpower requirements of PC-Is of three projects, the consulting firm will be selected by the Consultant Selection Committee (CSC) as per PPRA Rules 2014 and Quality & Cost based selection

method will be adapted for selection of consulting firm. The services of consulting firm shall be hired to assist QASPL in the project development activities like site visits, preparation of bidding documents, evaluation of bids, assistance in award of contract, post shipment inspection of the material and installation supervision of Contractor.

During audit of QASPL for the year 2022-23, it was observed that the consultancy assignment of various projects namely “Provision of Electricity to Communities using Indigenous Resources”, “Solarization of Tube Wells in Punjab” and “Off-grid/Poor Grid Village Electrification in Punjab: through Solar Power” were falling within the purview of long term consultancy. However, the management hired consultants by splitting the work and through three (03) quotations. Therefore, expenditure incurred of Rs 22.442 million on consultancy was held irregular. Detail is in **Annex-4**

Due to weak internal controls provisions of PC-I were violated which resulted into irregular selection of consultants.

Audit is of the view that the management was required to hire one consultant for project through Consultant Selection Committee (as per PPRA Rules) by adopting quality & cost selection method, instead of breaking the project into different packages and selecting the consultant through quotation, but the same was not complied and avoided codal formalities as required under large term consultancy.

The matter was reported to the management and PAO on October 30, 2023. The management replied that the consultants were hired under PPRA Rule 46 –A by obtaining three quotations. Reply was not convincing as management split consultancy to avoid issuance of EOI and consultant firms should have been selected through Consultant Selection Committee by following quality and cost based method.

DAC in its meeting held on December 13, 2023 directed the management to refer the matter to Finance Department for condonation of the violation of PC-1.

Audit recommends compliance of DAC’s directives.

1.3.4.3 Irregular payment to the consultants in violation of PC-I – Rs 7.885 million and execution of projects without the approval of the BoD - Rs 259.797 million

According to PC-I clauses 13 (II) (iii) (vii) of the project “Converting three Cities of Punjab into Solar Smart Cities” services of reputed international consulting firm having relevant experience will be hired for project development activities, and the consulting firm should be selected through Consultant Selection Committee as per PPRA Rules 2014. Moreover, the individual project in each city will be finalized after detailed survey /feasibility and will be executed with the approval of Board of Directors.

During audit of QASPL for the year 2022-23, it was observed that PC-I, valuing Rs 300.00 million for project namely Converting Three Cities of Punjab into Solar Smart Cities (Multan, Mianwali and Gujranwala) was approved by the competent forum and executed by the QASPL. The management selected three consultants through quotations by splitting the project into two packages to avoid tender and award consultancy work for Rs 7.885 million. Moreover, the individual project in each city was required to be finalized after detailed survey and feasibility with the approval of BoD but the two projects valuing Rs 259.797 million were executed without the approval of Board of Directors.

Weak internal controls resulted into selection of consultants and execution of projects in violation of PC-I.

Audit is of the view that the management was required to hire the International consultant through Consultant Selection Committee as per PPRA Rules 2014 by adopting Quality & Cost based method. Similarly, approval of Board of Directors was required to finalize project location/premises in each city.

The matter was reported to the management and PAO on October 30, 2023. The management replied that short term local consultants were hired according to PPRA Rules. The reply of the management was not convincing as consultants were hired in violation of PC-1 as selection was to be made through Consultant Selection Committee by following quality and cost based method and each project in a city was not finalized by BoD.

DAC in its meeting held on December 13, 2023 directed the management to refer the matter to Finance Department for condonation .

Audit recommends compliance of DAC's directives.

1.3.4.4 Loss due to unjustified rejection of lowest evaluated bid – Rs 10.847 million

According to Rule 55 of PPRA Rules, 2014, the bidder with the lowest evaluated bid, if not in conflict with any other law, shall be awarded the procurement contract within the original or extended bid validity period and as per rule 55 (A) if one complying bid is received, the procuring agency may award the contract to the bidder.

During audit of QASPL for the year 2022-23, it was observed that the management carried out pre- qualification for the procurement of solar system for development projects. The management issued bidding documents to pre-qualified firms on September 09, 2021 for project- Indigenous Resources. Letters of Interest (LoI) were issued for submission of bids for packages 1 to 6. M/s Zonergy submitted bids of Rs 36.334 million for each package and remained lowest bidder. Management awarded the contracts of package 2 and package 3 to M/s Zonergy due to participation of two bidders and scraped the bidding process of remaining four packages due to receipt of single bid. Management called the bids again from same pre-qualified bidders and due to this, project cost was increased to Rs 10.847 million (from Rs 145.339 million to Rs 156.186 million) as calculated below:

(Rs in million)

Indigenous Resources Project	Contractor Name	Contract price (Rs)	Zonergy offer in previous bid (Rs)	Difference/ Loss (Rs)
Package 1	M/s Zonergy	39.100	36.335	2.765
Package 4	M/s Sky Blue	38.973	36.335	2.639
Package 5	M/s Sky Blue	39.124	36.335	2.789
Package 6	M/s Zonergy	38.989	36.335	2.654
Total		156.186	145.34	10.847

Due to imprudent decision, cost of procurement increased to Rs 10.847 million.

Audit is of the view that the management should have accepted lowest evaluated bid as management earlier carried out pre-qualification and chance of more competition was rare.

The matter was reported to management and PAO on November 14, 2023. The management replied that decision to go for re-bidding was taken in compliance with the directions received from the Board of Directors. Reply was not tenable as BoD directed to re-advertise. Contrary to that the management sought financial bids again from already pre-qualified bidders rather than re-advertising.

DAC in its meeting held on December 13, 2023 directed the management to refer the matter to PPRA for clarification whether the management was required to call retender from open market or to call financial proposals from same pre-qualified bidders.

Audit recommends compliance of DAC's directives.

1.4 Quaid-e-Azam Thermal Power Company Limited (QATPL)

1.4.1 Introduction

Quaid-e-Azam Thermal Power (Private) Limited (QATPL) is a Private Company Limited by shares incorporated under the aegis of Companies Ordinance, 1984. The QATPL is owned by the Government of the Punjab. The objective of the company is to establish and maintain 1180 MW Re-Gasified Liquefied Natural Gas (RLNG) based Thermal Power Plants in Punjab within the stipulated timeline keeping in view the sever power shortage. The first Thermal Power Plant in this regard has been planned to be installed at Bhikki, District Sheikhpura.

1.4.2 Comments on Audited Accounts

1.4.2.1 The working results of the company for the year 2022-23 as compared with the previous years are as under:

(Rs in million)

Particulars	2022-23	% Inc/ (Dec)	2021-22	% Inc/ (Dec)	2020-21
Sales	139,329.99	(3.43)	144,280.41	82.78	78,935.02
Cost of Sales	115,611.87	(2.82)	118,964.29	82.49	65,187.83
Gross Profit	23,718.12	(6.31)	25,316.12	84.15	13,747.19
Administrative expenses	729.75	124.93	324.44	(1.92)	330.78
Other expenses	5,000.86	(49.96)	9,992.98	1,373.82	678.034
Other operating income	11,544.39	109.16	5,519.48	57.21	3,510.96
Finance cost	11,623.18	50.13	7,742.09	14.91	6,737.71
Profit/ (Loss) before taxation	17,908.72	40.17	12,776.09	34.32	9,511.62
Taxation	259.77	3.70	250.49	(26.73)	341.882
Profit/ (Loss) after taxation	17,648.95	40.90	12,525.60	36.60	9,169.74

(Source: Audited Accounts)

Administrative expenses increased from Rs 324.44 million for the year 2021-22 as compared to Rs 729.75 million in the year 2022-23 showing an increase of 124.93% which was mainly due to increase in legal and professional expense which increased from Rs 4.502 million in the year 2021-22 to

Rs 308.52 million in the year 2022-23 registering an increase of 6,753%. Expenditure was incurred to defend the case in London Court filed by the SNGPL. Reasons for inclusion of such absurd clause in the agreement between two Public Sector Companies needs to be justified.

1.4.2.2 Other expenses increased from Rs 678.03 million for the year 2020-21 to Rs 9,992.98 million in the year 2021-22 showing an increase of 1,373.82%. The Abnormal increase in other expenses needs to be justified.

1.4.2.3 Stock in trade (High Speed Diesel) increased from Rs 2,469.174 million for the year 2021-22) to Rs 5,254.393 million for the year 2022-23 registering an increase of 112.80% despite the reduction in the sales of the company. The huge increase in stock in trade resulted into unnecessary blockage of funds and hence needs justification along with complete record of its proper utilization.

1.4.2.4 Trade receivables (Note-11.6) with aging of due above 60 days increased from Rs 19.833 million (F.Y 2021-22) to Rs 26.979 million (F.Y 2022-23) which shows inefficiency and weak financial and working capital management. Vigorous efforts may be made for early recovery of trade debtors as these piled up to Rs 79.554 million (F.Y 2022-23) from Rs 68.535 million (F.Y 2021-22).

1.4.2.5 Provision for taxation under Current liabilities increased from nil to Rs 646.638 million in the year 2022-23. This huge increase in provision for taxation needs justification along with latest position of the provision whether it is paid or otherwise.

1.4.2.6 Receivables amounting to Rs 895.694 million for the year 2021-22 were written off as bad debts, which relate to the disallowed portion of invoices by CPPA-G on account of non-acceptance of part load factor. Instead of taking up the matter to arbitrator, management written off the amount which needs justification.

1.4.2.7 Loss on disposal of fixed assets amounting to Rs 247.690 million for the year 2021-22 was booked. Complete detail of these assets and their disposal record may be provided for clarification and justification.

1.4.2.8 Prepayments increased from Rs 171.250 million (F.Y 2021-22) to Rs 1,608.264 million registering an increase of 839.13%. Complete breakup of these prepayment and abnormal increase in prepayments needs to be provided.

1.4.2.9 Sales tax receivable amounting to Rs 1,079.298 million as on June 30, 2023 was refundable from FBR. The case for refund of the said amount was decided in favor of the company as on Sep 15, 2020 but claim could not be realized till date. Management should take up the matter on competent forum for early settlement.

1.4.2.10 Receivables from SNGPL amounting to Rs 3,265.223 million and CPPA-G Rs 4,687.674 million is recoverable as on June 30, 2023. The amounts remained stagnant in the Financial Statements of June 30, 2022 and June 30, 2023. Strenuous efforts may be made for early recovery of this huge amount.

1.4.2.11 Company created a huge provision against Corporate Social Responsibility of Rs 15.985 million for the year 2022-23 as compared to Rs 0 in the year 2021-22. Reasons for creation of huge provision and services performed therein needs to be explained.

1.4.2.12 An amount of Rs 16.75 million on account of claim of input tax for the year 2022-23 was subjudice before the Honorable Lahore High Court. Efforts may be made for early adjustment.

1.4.2.13 Mark-up on delayed payments increased from Rs 1,355.08 million in the year 2021-22 to Rs 3,199.417 million in the year 2022-23 registering an increase of 136%. Increase in markup payment despite adequate balances in cash and bank needs justification.

1.4.3 Compliance of PAC Directives

No PAC meeting for the years 2014-15 to 2022-23 has been convened so far.

1.4.4 Audit Paras

1.4.4.1 Loss due to deduction of capacity payments by CPPA - Rs 127.157 million

According to clause 9.1 (c)(ii) of the Power Purchase Agreement, the power purchaser shall pay to the company, the capacity price for each KW of the prevailing tested capacity then unavailable during any period during which the complex is undergoing: a forced outage or partial forced outage notified by the company not later than one (1) hour prior to the relevant hour or a maintenance outage notified by the company.

During audit of Quaid-e-Azam Thermal Power Limited (QATPL) for the year 2022-23, it was observed that the company was entitled to receive capacity payments for the whole year even for scheduled and forced outages if these remain within the allowance provided by CPPA. However, outages of the plant went beyond the permissible limits which resulted in deductions of capacity payments of several months by CPPA amounting to Rs 127.157 million on the grounds of partial/forced outages. Detail is in **Annex-5**.

Due to weak operational management of plant, deductions of capacity payments are being made by power purchaser.

Audit is of the view that due to weak internal controls and frequent outages the company sustained loss.

The matter was reported to the management and PAO on December 04, 2023. The management replied that CPPA has been approving our capacity payments while adjusting it against available forced outage allowance since COD but suddenly since December 2022, CPPA has changed this practice and started capacity deductions against Failure to Achieve Dispatch Level (FADL) events. The company has already taken up this point with CPPA-G in Operating Committee & Sub-Committee meetings and is currently under discussion as per PPA provision. The reply was not convincing as the matter regarding adjustments of deduction of capacity payments is pending at CPPA.

DAC in its meeting held on December 29, 2023 directed the management to pursue the recovery of capacity payments.

Audit recommends compliance of DAC's directives.

1.4.4.2 Non-recovery of delayed payment interest from CPPA - Rs 10,392.379 million

According to clause 9.6 of the Power Purchase Agreement, the Power Purchaser shall pay the Company the amount shown on an invoice on or before the thirtieth (30th) day following the day the invoice is received by the Power Purchaser. Late payments by either party of amounts due or payable under this Agreement shall bear interest at a rate per annum equal to the Delayed Payment Rate i.e. Kibor + 2%.

During audit of QATPL for the year 2022-23, it was observed that the management issued various invoices of energy, capacity and pass through items. As per agreement, CPPA was required to pay the invoices within 30 days but it failed to make payment within the prescribed time. The amount of delayed payment of interest on receivable from CPPA accumulated to Rs 10,392.379 million for the year 2022-23. Detail is in **Annex-6**.

Weak financial management and non-expediting the recovery resulted into delayed payment of interest from CPPA.

Audit is of the view that the management was required to make efforts for the recovery of interest income charged as other income, from CPPA-G but no efforts were made for the recovery of the interest income.

The matter was reported to the management and PAO on December 04, 2023. The management replied that it is practice of CPPA-G that they release funds to IPPs primarily from overdue invoices relating to Energy Purchase Price (EPP) and Capacity Purchase Price (CPP) and delayed payment interest is at their low priority due to lean collection of funds. The reply was not convincing as the management failed the recover the outstanding amount under delayed payment interest.

DAC in its meeting held on December 29, 2023 directed the management to make strenuous efforts to recover the delayed payment interest amount.

Audit recommends compliance of DAC's directives.

Note: The issue was also reported earlier in the Audit Report for Audit Year 2022-23 vide para number 2.3.4.7 having financial impact of Rs 10,161.212 million. Recurrence of same irregularity is a matter of serious concern.

**1.4.4.3 Loss due to award of arbitration against the company
- Rs 9,554.423 million**

As per clause 3.6 of the Gas Supply Agreement (GSA) dated July 22, 2016 between Sui Northern Gas Pipelines Limited and QATPL for supply of Re-liquefied Natural Gas (RLNG) and subject to other provisions of the Gas Supply Agreement (GSA), during a month the company shall take and if not taken, pay for the unutilized portion of Firm Gas Allocation (FGA), Take or Pay (ToP) arrangements.

During audit of QATPL for the year 2022-23, it was observed that SNGPL raised a claim of Rs 5,506.746 million regarding take or pay invoices for supply of RLNG to the Bhikki Power Plant in June 2018. The reason behind these Take or Pay (ToP) claims was delay in the Commercial Operation Date (COD) from December 24, 2017 to May 20, 2018 due to excessive vibration at GT 1 & 2. SNGPL continued to raise invoices under ToP clause after COD which accumulated to Rs 4,739.286 million. QATPL decided to take the matter to London Court of International Arbitration (LCIA) under Section-18.3 of the GSA. London Court of International Arbitration decided the case against the QATPL on August 02, 2022, which resulted substantial financial impact of Rs 9,554.423 million. Detail is in **Annex-7**.

It is also necessary to mention here that management also incurred Rs 100.281 million on account of expert, legal and court fees due to retention of arbitrator in London. The said fee could be saved by retention of local arbitrator, which was pointed out by audit in the previous ARPSE 2022-23 vide Para No. 2.3.4.3.

Due to weak contract management, commercial operations were not started. Further, after take or pay claims continued to accumulate after COD due to weak operational management.

Audit is of the view that the management was required to charge pre-COD claim from EPC contractor and avoid any further claim by rationalizing gas demand and utilization.

The matter was reported to the management and PAO on December 04, 2023. The management replied that the minimum take or pay liability has been waived off in all GPP's GSA and PPA by the ECC in its decision dated April 14, 2021. However, SNGPL has not been agreeing so far to execute addendums. The reply was not convincing as the management did not take up the matter with EPC contractor regarding recovery imposed by SNGPL on account of take or pay which was attributed to delay in commercial operation date.

DAC in its meeting held on December 29, 2023 directed the management to pursue case vigorously.

Audit recommends compliance of DAC's directives.

1.4.4.4 Loss due to non-payment against insurance component since COD - Rs 1,324.816 million

According to para 24.2 of reference tariff approved by NEPRA on April 14 2016, QATPL is allowed to claim insurance component at Rs 0.0574 per kilowatt hour.

During audit of QATPL for the year 2022-23, it was observed that CPPA-G disallowed insurance component from capacity invoices since COD i.e. May 20, 2018. As per reference tariff, QATPL is eligible to receive insurance component being part of capacity portion but CPPA-G is refusing on plea that it will allow this portion after true up of tariff. However, Power Purchase Agreement enabled the company to invoice/ receive these payments on monthly basis but due to non-acceptance of invoices, company was sustaining a huge loss in shape of actual amount as well as delayed payment charges of Rs 1,324.816 million. Detail is in **Annex-8**.

Due to non-taking up matter with NEPRA, company was deprived off from legitimate revenue since COD.

Audit is of the view that the management should have taken up this matter with NEPRA and CPPA on immediate basis as it is facing serious liquidity issue. However, issue has not been resolved till date due to reasons best known to the management.

The matter was reported to the management and PAO on December 04, 2023. The management replied that the tariff true up decision has been announced by NEPRA and indexation decision of insurance component is awaited from NEPRA after which the adjustment / differential will be made by CPPA-G accordingly. The reply was not convincing as it failed to recover insurance claims since COD due to which it sustained interest loss.

DAC in its meeting held on December 29, 2023 directed the management to pursue the matter of recovery of insurance component alongwith interest thereon and kept the para pending till decision of NEPRA.

Audit recommends compliance of DAC's directives.

1.4.4.5 Excess payment of insurance premium in violation of NEPRA approved tariff - Rs 923.06 million

According to para 2.4 of NEPRA true up decision dated January 03, 2023, the authority decided to allow 1% of EPC cost as Insurance during operations which worked out to be Rs 520.29 million.

During audit of QATPL for the year 2022-23, it was observed that the management got the plant & equipment insured from M/s NICL. The total insurance premium for the year paid was Rs 1,444.036 million against approved in tariff of Rs 520.29 million. Hence, an amount of Rs 923.06 million (Rs 1,444.036 million – Rs 520.29 million) was paid beyond NEPRA approved limit. The management did not initiate concrete measures to resolve the issue. Due to excess payment of insurance premium, QATPL was sustaining recurring loss.

Due to weak financial management, the company sustained heavy loss.

Audit is of the view that insurance premium was paid to M/s NICL over and above the NEPRA approved tariff which was held irregular and unjustified.

The matter was reported to the management and PAO on December 04, 2023. The management replied that QATPL raised the matter of excess insurance premium on various fora i.e. NICL, NEPRA, CPPA-G, PPIB & Ministry of Commerce but no response received. The reply was not convincing as management failed to resolve the issue to date.

DAC in its meeting held on December 29, 2023 directed the management to seek guidance from PPRA for hiring the services of other Insurance companies in the presence of NICL Ordinance 2000. DAC also directed the management to take up the matter proactively with NEPRA for reimbursement of insurance expenses as per actual payment through parent department.

Audit recommends compliance of DAC's directives.

Note: The issue was also reported earlier in the Audit Report for Audit Year 2022-23 vide para number 2.3.4.5 having financial impact of Rs 2,684.00 million. Recurrence of same irregularity is a matter of serious concern.

1.4.4.6 Imposition of fine due to delayed synchronization of plant with National Grid - Rs 20.00 million

According to section 14B(4) of the NEPRA Act, in the case of a generation facility connecting directly or indirectly to the transmission facilities of the national grid company, the licensee shall make the generation facility available to the national grid company for the safe, reliable, non-discriminatory, economic dispatch and operation of the national transmission grid and connected facilities.

During audit of QATPL for the year 2022-23, it was observed that the power system breakdown occurred on January 09, 2021 at 11:40 PM due to which whole country went into darkness and the system was completely restored on January 10, 2021 after 20 hours (approximately). As per National Power Construction (NPCC) record, the supply at QATPL bus bar was restored at 09:13 AM on January 10, 2021 and it was instructed by NPCC through notice to synchronized its first unit at 10:43 AM on January 10, 2021. However, the licensee had synchronized its first unit at 12:14 AM on January 11, 2021 after lapse of almost 13 hours, thereby, prima facie, the licensee failed to comply with

the NPCC's instructions as per terms & conditions in timely manner which severely hampered the restoration process of power system. NEPRA issued show cause notice to QATPL dated May 20, 2022 under relevant Rules and Regulations. After giving the opportunity of hearing to licensee, NEPRA did not satisfy and impose a penalty of Rs 20.00 million on QATPL.

Due to weak operational management, the plant was not synchronized with national grid within the given time.

Audit is of the view that the plant could not be synchronized with national grid in time which resulted into imposition of time and loss to the company.

The matter was reported to the management and PAO on December 04, 2023. The management replied that QATPL filed an appeal against this order in the Appellate Tribunal of NEPRA. The reply of the management is not convincing as it failed to satisfy the Regulatory Authority on late synchronization of plant.

DAC in its meeting held on December 29, 2023 directed the management to pursue the case vigorously and kept the para pending till decision.

Audit recommends compliance of DAC's directives.

1.4.4.7 Revenue loss due to excess auxiliary consumption of electricity at complex – Rs 50.747 million

According to section 2.9 (a)(iii) of the Power Purchase Agreement, for the period commencing on the Commercial Operations Date (COD) and ending on expiry of the term, the contract capacity shall be 1,156,675 KW, as may be revised at the time of COD, a maximum three percent (3%) auxiliary consumption is allowed.

During audit of QATPL for the year 2022-23, it was observed that auxiliary consumption of the complex was beyond the maximum allowed limit 3% during the month of July 2022 and July 2023. Operations and Maintenance of the plant is being carried out by M/s HEI-HRL since inception and responsibility to run the complex in efficient and economical way rests with it. However, O&M

contractor and management dealt it leniently that resulted into revenue loss of Rs 50.747 million. The detail of excess consumption is as under.

(Rs in million)

Sr. No	Month	Gross Production KWh	Allowed Aux. Consumption @ 3% KWh	Actual Aux. Consumption KWh	Excess Consumption KWh	Tariff Rs per KWh	Revenue loss on excess consumption (Rs)
1	July-22	289,181,240	8,675,437	9,754,440	1,079,003	25.23	27.227
2	July-23	427,310,000	12,819,300	13,889,500	1,070,200	21.98	23.520
Total							50.747

Due to weak operational management, auxiliary consumption of electricity increased beyond allowed consumption limit.

Audit is of the view that management should have remained vigilant and overseen the work of O&M Contractor to keep auxiliary consumption within limits. Further, O&M contractor should be held responsible but no action was taken by the management in this regard.

The matter was reported to the management and PAO on December 04, 2023. The management replied that as per the referred section of PPA, allowed Aux. Consumption @3% KWh is subject to complex operations at base load capacity i.e. 1163.123 MW and whenever Plant will operate at part load its auxiliary consumption of generation increases. The reply was not convincing as the said clause of agreement did not provide segregation of base load and full load.

DAC in its meeting held on December 29, 2023 directed the management to provide record for verification. Management provided month wise net electric output in KWh and stated that auxiliary consumption increased due to operation of plant at lower load. Audit observed that auxiliary consumption remained within the prescribed limit except the months pointed out by audit. This showed that auxiliary consumption was not linked with part load as replied by the management.

Audit recommends compliance of DAC's directives.

1.4.4.8 Loss due to disallowing various components in true up tariff - Rs 7,857.61 million

According to NEPRA True Up Tariff decision dated January 03, 2023, certain component i.e. EPC-off shore, interest during construction, O&M mobilization and training were disallowed.

During audit of QATPL for the year 2022-23, it was observed that NEPRA approved reference tariff on April 14, 2016. As per reference tariff, different cost components were allowed with certain conditions and limits. Plant started commercial operations on May 20, 2018. Later on, management filed petition for adjustment of relevant components of tariff on June 10, 2020. After detailed scrutiny of record, NEPRA decided the COD tariff on January 03, 2023 by reducing/ disallowing certain cost components. As a result, company suffered a loss of Rs 7,857.6 million. Detail is as under:

(Rs in million)				
Sr. No.	Particulars	Amount Claimed (Rs)	Amount Allowed (Rs)	Amount (Rs)
1	EPC-Offshore	49,409.52	45,073.77	4,335.75
2	Land cost	101.85	80.85	21.00
3	Admin Expenses	714.57	711.06	3.51
4	O&M mobilization and Training	607.95	326.75	281.19
5	Insurance during Construction	626.81	444.43	182.38
6	Testing & Commissioning	157.11	-	157.11
7	Financing Fee and Charges	2,188.99	1,895.08	293.91
8	Interest During Construction	4,492.49	1,909.08	2,583.42
Total				7,858.61

Due to weak financial management, cost of various components exceeded the approved limit.

Audit is of the view that management was required to keep the costs within allowable limits so that they can be claimed at the time of true up. However, management failed to adjust the actual expenditures which is held irregular.

The matter was reported to the management and PAO on December 04, 2023. The management replied that company has filed a review petition with NEPRA and an appeal in the NEPRA appellate tribunal against these deductions. The reply was not convincing as the management either failed to prove its stance before NEPRA or claimed excess cost.

DAC in its meeting held on December 29, 2023 directed the management to pursue the matter vigorously with NEPRA for early decision of appeal.

Audit recommends compliance of DAC's directives.

Chapter-2

Higher Education Department

Introduction

Higher Education Department, (HED) is responsible for education, learning and related services for students, as well as Faculty/teaching & non-teaching staff, serving in Public and Private Institutions in the province of Punjab. Its aim is to achieve a highly educated society; where educational opportunities are equally available for all young people in Pakistan, no matter what their social, ethnic, and cultural background or family circumstances are. To promote development of an enlightened and prospering Punjab by reinforcing knowledge economy along with a focus on equitable and quality learning. The realization of the higher education department's vision of "enlightened and prospering Punjab by reinforcing knowledge economy" rests on the shift from access to quality which is evident from the key initiatives it has taken in recent past. Improving quality of teaching, research and innovation, enhancing creativity and entrepreneurship and promoting equity, access, social cohesion and responsible citizenship.

Objectives

The basic aim of HED is not only to cater the educational needs of the target population i.e. the students, but also broaden their vision and mental horizon in order to equip them to deal better with the academic and economic challenges of the modern world. The realization of the higher education department's vision of "enlightened and prospering Punjab by reinforcing knowledge economy" rests on the shift from access to quality, and for realization of this vision the department has outlined following objectives:

Functions

The department of Higher Education Punjab has administrative and financial control of the multi-tier Higher Education sector in the Punjab. It manages more than 750 colleges with general as well as specific programs in 37 districts of the province. It also supervises 09 Boards of Intermediate and

Secondary Education, 25 Public Sector Universities and 26 Autonomous Educational Professional Institutions of Higher Education, Commerce Colleges.

Governing Laws

- Ali Institute of Education Lahore Act, 2010
- Forman Christian College Act, 2004
- Global Institute Lahore Act, 2011
- Imperial College of Business Studies Lahore Ordinance, 2002
- Institute of Management Sciences Lahore Ordinance, 2002
- Institute of Southern Punjab Multan Act, 2010
- Lahore School of Economics Act, 1997
- National College of Business Administration & Economics Lahore Ordinance, 2002
- Punjab Kinnaird College for Women Lahore Ordinance, 2002

Formations:-

Punjab Education Endowment Fund
Lahore Knowledge Park Company

(Rs in million)

Sr. No	Description	Total Nos	Audited	Expenditure audited FY 2022-23 (Rs)	Revenue/Receipt audited FY 2022-23 (Rs)
1	Formations	2	1	133.26	163.20
2	Authorities/Autonomous Bodies etc. under the PAO	-	-	-	-
3	Foreign Aided Projects (FAP)	-	-	-	-

Classified Summary of Audited Observations

Audit observations amounting to Rs 69.129 million were raised as a result of this audit. Summary of the audit observations classified by nature is as under:

(Rs in million)

Sr. No	Classification	Amount (Rs)
1.	Non-Production of record	-
2.	Reported cases of fraud/Embezzlement and Misappropriation	-
3.	Irregularities	
a.	HR/employees related irregularities	-
b.	Procurement related irregularities	15.989
c.	Management of Accounts with Commercial Banks	-
4.	Value for money and service delivery issues	-
5.	Other	53.140

2.1 Punjab Education Endowment Fund (PEEF)

2.1.1 Introduction

The Punjab Educational Endowment Fund (PEEF) is a non-profit organization incorporated in Pakistan on December 31, 2008 as a Guarantee Limited Company under Section 42 of the Companies Ordinance, 1984. The company was established with initial seed money of Rs 2,000.00 million by Government of the Punjab which has been enhanced to Rs 13,500 million in financial year 2015-16. According to Board of Directors decision dated February 10, 2009, the amount lying in Endowment Fund was invested for one year and after expiry of period of year, the amount was reinvested.

The main objective of the company is to provide equitable opportunities of education to under privileged but talented boys and girls especially from the southern districts of the province to bring them at par with more fortunate ones and to create a critical mass of talented youth for the development of society.

2.1.2 Comments on Audited Accounts

2.1.2.1 The working results of the PEEF for the year 2022-23 as compared to previous years are as under:

	2022-23	%Inc /(Dec)	2021-22	%Inc /(Dec)	2020-21
(Rs in million)					
Income					
Interest income	2,307.65	75.07	1,318.131	4.70	1,259.00
Grant related to income recognized	619.58	(54.86)	1,372.615	45	946.114
Grant related to assets recognized	-		0.110	(75)	0.448
Other income	3.57	18.60	3.01	(62.87)	8.107
Grant/Donations	-		-	-	0.010
Total	2,930.79	8.79	2,693.866	21.69	2,213.682
Expenditure					
Program cost	1,676.69	(16.82)	2,015.706	(7.188)	2,171.820
Salaries & benefits	121.98	9.38	111.515	(0.93)	112.561
Admn & general expenses	44.41	39.21	31.899	(11.31)	35.968
Finance cost	2.78	(33.01)	4.15	(20.19)	5.199

Total	1,845.86	(14.67)	2,163.27	(6.978)	2,325.55
Excess of (expenditure over income)/ income over expenditure	1,084.93	104.47	530.596	(375)	(111.668)
Pre measurement loss on defined benefits obligations	(4.17)	(19.19)	(5.160)	108.23	2.478
Total comprehensive income for the year	1,080.76	106.48	525.43	(360.32)	(114.146)

(Source: Audited Annual Accounts)

Total inflow increased by 8.8% to Rs 2,930.783 million in the year from Rs 2,693.866 million in the year 2021-22. However amount of scholarship disbursed (program cost) decreased by 16.55% from Rs 1,991.23 million in 2021-22 to Rs 1,661.59 million in 2022-23. Decrease in Scholarships needs justification. Similarly PHD level foreign Scholarship also decreased to 09 no scholarship in 2023 from 18 Nos. scholarships in 2022 which also need justification.

2.1.2.2 Land valuing Rs 24.511 million was allocated/ transferred by Government of the Punjab. Management incurred Rs 3.320 million for design during the year 2021-22. However, no change in capital work in progress was observed during 2022-2023. Non-utilization of land needs justification.

2.1.2.3 Tax refund increased to Rs 23.178 million in the year 2022-23 from Rs 0.704 million in 2021-22 registering an increase of 3192.33%. As the company is registered under section-42, exemption of income tax should have been obtained to avoid taxation. Reason for non-obtaining tax exemption needs explanation and refund should be recovered at earliest.

2.1.2.4 Other liability shown as amount of Rs 7.470 million in 2022-23 as compared to Nil in 2021-22. The break up/ detail was not shown in accounts. Justification & schedule of this head may be provided.

2.1.2.5 Foundation paid meeting fee amounting to Rs 3.10 million to members of BoD during 2022-23 as compared to Nil 2021-22, out of which Rs 0.320 million paid to Chief Executive. Approval and legal grounds for the payment of meeting fee paid to the Directors and Chief Executive may be provided.

2.1.2.6 As per rule 4(4) of Corporate Governance Rule, 2013 it was required that chairman will be elected by the BoD except where post is filled by the government. The company failed to comply with the said rule. The reasons for non-appointment of chairman need clarification.

2.1.2.7 Scholarship payable increased from Rs 439.56 million in the year 2021-22 to Rs 581.39 million in the year 2022-23 registering an increase of 32.27%. Early and timely disbursement of scholarship is stressed upon management so that the needy students could be able to attain the benefit of scholarship.

2.1.2.8 Company cash and bank balance increased from Rs 2,322.15 million in the year 2021-22 to Rs 3,030.74 million in the year 2022-23 registering an increase of 30.52%. Company needs to compute its working capital requirement and invest additional funds in short term investment to get a better rate of return. The reasons for non-investing funds in short term investment need justification.

2.1.3 Compliance of PAC Directives

No PAC meeting for the years 2014-15 to 2022-23 has been convened so far.

2.2 Lahore Knowledge Park Company (LKPC)

2.2.1 Introduction

The Lahore Knowledge Park Company (LKPC) was established by the Government of the Punjab to strategize, plan, undertake and oversee the development of knowledge & growth parks. The Lahore Knowledge Park is the company's inaugural and flagship project. LKPC operates under independent Board of Directors, which is comprised of members from Government, Academia and the Industry. It was incorporated in October, 2014 as a not-for-profit, large scale public sector company, registered under Section 42 of the Companies Ordinance, 1984. LKPC is owned by the Higher Education Department, Government of the Punjab. The Company was given possession of a piece of land measuring 802 acres situated at Rakh Dera Chal by Higher Education Department, Government of the Punjab on Bedian Road, Lahore which is the site of the Lahore Knowledge Park.

2.2.2 Comments on Audited Accounts

2.2.3 The management failed to provide annual audited accounts for the years 2018-19 to 2022-23 by December 31, 2023.

2.2.4 Compliance of PAC Directives

PAC meetings for the years 2014-15 to 2022-23 were not convened.

2.2.5 Audit Paras

2.2.4.1 Irregular engagement of individual consultants under short consultancy - Rs 11.160 million

According to the rule-2(1)(ab) of Punjab Procurement Rules 2014, 'short consultancy' means consultancy where the cost of consultancy does not exceed two million rupees for individual consultant and five million rupees for consulting firms and duration of the short consultancies for an individual consultant shall not exceed six months.

During audit of Lahore Knowledge Park Company (LKPC) for the years 2018-2023, it was observed that management appointed four consultants under short term consultancy for six months by collecting three quotations in January 2023. On completion of their contract period i.e. six months, the management again hired them for another six months to accommodate them in violation of PPRA Rules. As the cost of consultancy exceeded two million rupees and period of consultancy was beyond six months hence engagement of individual consultants was held irregular and payment of Rs 11.160 million.

Due to weak internal controls the consultants were hired for another period of six months.

Audit is of the view that management was required to hire consultants by strictly following the PPRA Rules but the same was not done to extend undue favor.

The matter was reported to the management and PAO on October 04, 2023. The management replied that upon joining of regular CEO LKPC, the Board assigned various tasks and assignments with the expectation to be completed at a fast pace, hence the CEO made the appointments. The reply was not convincing as management appointed individual consultants under short term consultancy for six months by collecting three quotations.

The DAC in its meeting held on January 12, 2024 directed the management to produce the work scope/ job descriptions and evidence of re-hiring process of the same consultants for verification to audit. The management did not provide the record till finalization of report.

Audit recommends compliance of DAC's directives.

2.2.4.2 Irregular hiring of Chartered Accountant firms without concurrence of Auditor-General of Pakistan – Rs 4.829 million

In accordance with the provisions of Sub section (2) of Section 15 of the Auditor-General's (Functions, Powers and Terms and Conditions of service) Ordinance, 2001 Auditor-General of Pakistan issued guidelines for appointment of Chartered Accountants firms vide letter No 05/61-AR-111/c/2001 (PF) dated January 02, 2002, in case of appointment of Chartered Accountant Firms by

autonomous bodies, the concurrence from office of AGP for the same was required to be obtained by the autonomous bodies.

During audit of LKPC for the years 2017-2023, it was observed that the management appointed chartered Accountant firms for audit of the company during the period 2015-2023 without consultation with Auditor-General of Pakistan and paid an amount of Rs 4.829 million as audit fee. Detail of payment of Chartered Accountant firms. Detail is as under:

(Rs in million)			
Audit Year	Payment Date	Name of Audit Firm	Amount (Rs)
2015-16	25.08.2017	Grant Thornton	0.100
2016-17	09.03.2018	EY Ford Rhodes	0.700
2017-18	14.01.2020	EY Ford Rhodes	0.770
2018-19	05.11.2020	EY Ford Rhodes	0.780
2019-20	11.06.2021	EY Ford Rhodes	0.780
2020-21	24.11.2021	EY Ford Rhodes	0.900
2021-22	-	Rehman Sarfraz Rahim	0.399
2022-23	-	Rehman Sarfraz Rahim	0.400
Total			4.829

Due to weak internal controls the instructions of the AGP could not be complied.

Audit is of the view that negligence on the part of the management resulted into irregular hiring of Chartered Accountant Firm.

The matter was reported to the management and PAO on October 04, 2023. The management replied that Chartered Accountant Firms for the audit of LKPC were hired after completing all codal formalities of the Punjab Procurement Rules, 2014. The reply was not convincing as the management was required to get the concurrence of the AGP before appointment of Chartered Accountant firms.

DAC in its meeting held on January 12, 2024 directed the management to pursue the case for ex-post facto approval from Auditor-General of Pakistan.

Audit recommends compliance of DAC's directives.

2.2.4.3 Wasteful expenditure due to non-achievement of objectives of the company - Rs 938.980 million

According to Memorandum of Association of LKPC “the primary objective of the Company is to develop, maintain and operate Knowledge Park at the place as required by the Government”.

During audit of LKPC for the year 2017-23, it was observed that Company owns 852 acres of land on Bedian Road, Lahore intended for the development of a Knowledge Park to attract foreign investors and universities to establish campuses in Pakistan. The statement of conditions required foreign investors to reinvest their profits within the same institution, preventing them from taking profits back to their home country. The restriction discouraged foreign investors from investing in Pakistan. Additionally, investors were obliged to complete the campus within three years, but due to inadequate infrastructure such as roads and sewerage system, the conditions were not favorable for potential invest to Rs The offered lease period of a maximum of 33 years also failed to attract top universities and reputed institutions due to unfavorable terms and conditions. The LKPC incurred an expenditure of Rs 938.980 million during the years 2014-2023, without any productive work except the award of contract to M/s Infrastructure Development Authority of the Punjab (IDAP) for the construction of boundary wall on September 14, 2017, which was still to be completed.

Due to defective planning, the organization failed to achieve its objectives.

Audit is of the view that the discriminatory terms and conditions outlined in the statement prevented any investor from expressing interest in coming to Pakistan and investing. Consequently, this situation led to the management's failure in accomplishing the company's objectives.

The matter was reported to the management and PAO on October 04, 2023. The management replied that there were certain clauses that need to be revised for attracting international / private sector investments, the Government

of the Punjab notified a committee vide notification dated November 22, 2017 to review the issues and way forward of the LKPC. The reply is not convincing as due to defective statement of conditions, LKPC failed to attract foreign investor and did not achieve the objectives.

DAC in its meeting held on January 12, 2024 directed the management to probe the matter at Administrative Department level within 30 days and to request the HED for early constitution of the Board.

Audit recommends compliance of DAC's directives.

2.2.4.4 Non-adherence to standard bidding documents resulting into increase in cost – Rs 53.14 million

According to clause 43.1 of Standard Bidding Documents (SBD) issued by Pakistan Engineering Council, the whole of the Works and, if applicable, any Section required to be completed within a particular time as stated in the Appendix to Tender, shall be completed, in accordance with the provisions of Clause 48, within the time stated in the Appendix to Tender for the whole of the Works or the Section (as the case may be), calculated from the Commencement Date, or such extended time as may be allowed under Clause 44.

During audit of LKPC for the years 2017-2023, it was observed that the management entered into an agreement with M/s IDAP for the purpose of execution of the Civil Works of the project (Package-I) on September 14, 2017. The total project cost was determined, approved and fixed as Rs 751 million. There was no clause regarding timelines of the project included in the agreement and the same was left open ended. The absence of timeframes and LD clauses in the agreement favored the executing agency, leading to an increase in estimated project costs to Rs 804 million by December 31, 2020, with an additional claim of Rs 53.140 million.

The delay and increased costs were a result of not adopting the Standard Form of Bidding Documents and omitting the completion time from the agreement.

Audit is of the view that had the management followed SBD, incorporated timelines of the project and LD clauses in the agreement, the project could have been completed in a short period within approved cost.

The matter was reported to the management and PAO on October 04, 2023. The management replied that court cases caused a delay in the completion of civil works, therefore, the delay in completion of civil works is not the failure of the contractor, thus, LD charges / penalty to contractor may not be imposed. The reply is not convincing as no time limit was defined in the contract and no provision for imposition of LD was included in the contract.

DAC in its meeting held on January 12, 2024 directed the management to probe the matter at Administrative Department level within 30 days and fix responsibility for defective agreement with IDAP.

Audit recommends compliance of DAC's directives.

Chapter-3

Industries, Commerce, Investment and Skills Development Department

Introduction

The Industries, Commerce and Investment Department is one of the major Government Institutions striving to promote industrial development, trade and investment in the province. The main focus of activity is promotion of trade and investment in the province. The Government of the Punjab is keen on creating a business-friendly investment climate in line with the federal government policies and present the Province of Punjab as an attractive investment destination for the entrepreneurs/investors.

Purpose/ Objectives

The department works with the vision to encourage & promote Industry including Cottage Industry for sustainable growth, credit facilitation including micro financing, facilitation in trade and business, availability of skilled manpower, consumer protection and co-ordination in price control.

The mission of the department is to create prosperity by strengthening the competitiveness of Punjab business environment, promoting trade by all means including competitive and efficient export supply chain and investment climate that helps develop the private sector, and addressing issues related to fair trade and compliance with international trade regime.

The major objectives of the department are:

- Promotion of industry & investment in the province
- Advocacy and implementation of trade & investment policies of the Federal/ Provincial Governments
- Liaison with private sector, trade bodies and trade associations
- Creation of awareness about WTO related trade laws & standards
- Improve product competitiveness and export supply chains
- Conduct research and provide technical expertise to private sector
- Regulate prices of essential commodities

Governing Laws

- Industrial Statistics Act, 1942
- Land Acquisition Act, 1894
- Partnership Act, 1932
- Price Control and Prevention of Profiteering and Hoarding Act, 1977
- Protection of Economic Reforms Act 1992
- Punjab Consumer Protection Act 2005
- Punjab Industrial Development Board Act, 1973
- Punjab Small Industries Corporation Act, 1973
- Punjab Technical Education and Vocational Training Authority Act 2010

Ordinance

- Apprenticeship Ordinance, 1962
- Companies Ordinance 1984 (now Companies Act 2017)
- Punjab Board of Technical Education Ordinance, 1962
- Punjab Industries (Control on Establishment and Enlargement) Ordinance, 1963

Formations:-

- Faisalabad Industrial Estate Development and Management Company (FIEDMC)
- Punjab Board of Investment and Trade
- Punjab Industrial Development Board (Defunct)
- Punjab Industrial Estate Development and Management Company (PIEDMC)
- Punjab Model Bazaars Management Company (PMBMC)
- Punjab Small Industries Corporation (PSIC)
- Government Printing Press, Lahore
- Government Printing Press, Bahawalpur

Audit Profile of Industries, Commerce, Investment and Skills Development Department

(Rs in million)

Sr. No	Description	Total Nos	Audited	Expenditure audited FY 2022-23 (Rs)	Revenue/Receipt audited FY 2022-23 (Rs)
1.	Formations	04	-	-	-
2.	Authorities/Autonomous Bodies etc. under the PAO	05	02	543.99	443.84
3.	Foreign Aided Projects (FAP)	-	-	-	-

Classified Summary of Audit Observations

Audit observations amounting to Rs 132.186 million were raised as a result of this audit. This amount also includes recoverable of Rs 10.692 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

Overview of the Audit Observations

(Rs in million)

Sr. No	Classification	Amount (Rs)
1.	Non-production of record	-
2.	Reported cases of fraud/Embezzlement and Misappropriation	-
3.	Irregularities	
a.	HR/employees related irregularities	-
b.	Procurement related irregularities	-
c.	Management of Accounts with Commercial Banks	4.611
4.	Value for money and service delivery issues	114.845
5.	Other	12.730

3.1 Punjab Industrial Estate Development and Management Company (PIEDMC)

3.1.1 Introduction

Punjab Industrial Estates Development and Management Company ("the Company") was incorporated in Pakistan on September 18, 2003 as a public company limited by guarantee, licensed as a non-profit organization under Section 42 of the Companies Ordinance, 1984. The Company is owned by the Government of the Punjab. The principal activity of the Company is to develop new industrial estates together with updating the existing industrial estates as may be assigned by the Government of the Punjab. The registered office of the Company is situated at Commercial Area (North) Sundar Industrial Estate, Raiwind Road, Lahore.

The Company is managing Quaid e Azam Industrial Estate (QIE) in Lahore and Multan Industrial Estate - Phase I (MIE I) in Multan while it is currently developing, Sundar Industrial Estate (SIE) in Lahore, Multan Industrial Estate - Phase II (MIE II) in Multan, Rahim Yar Khan Industrial Estate in Rahim Yar Khan, Bhalwal Industrial Estate in Bhalwal, Vehari Industrial Estate in Vehari and Quaid-e-Azam Apparel Park in Sheikhpura.

3.1.2 Comments on Audited Accounts

3.1.2.1 The management failed to provide annual audited accounts for the years 2022-23 by December 2023.

3.1.2.2 The working results of the Company for the year 2021-22 as compared to previous years are as under:

	2021-22	% Inc/ (Dec)	2020-21	% Inc/ (Dec)	2019-20 (Restated)	% Inc/ (Dec)	2019-20
Incomes							
Income from sale of plots	(81.022)	-	183.870	(61.742)	480.609	(58.602)	1,160.940
Fees	273.462	(26.163)	370.359	317.796	88.646	-	88.646
Operations,	474.589	10.598	429.110	10.455	388.495	-	388.495

(Rs in million)

maintenance and allied service billing							
Return on Bank Deposit & Investments	807.049	73.182	466.012	(2.914)	479.998	-	-
Income from electricity supply	76.559	11.891	68.423	(8.652)	74.904	(98.924)	6,958.200
Rental income	34.967	(1.002)	35.321	24.541	28.361	-	-
Amortization of deferred income/grant	19.428	(11.133)	21.862	1.940	21.446	644.136	2.882
Construction and supervision services	-	-	-	-	-	-	27.982
Other income	47.715	(70.147)	159.831	15.282	138.643	(82.273)	782.092
Total	1,652.747	(4.729)	1,734.788	1.980	1,701.101	(81.921)	9,409.230
Expenditures							
Estate maintenance expenses/Development expenditure	59.043	122.041	26.591	60.797	16.537	0.012	16.535
Infrastructure maintenance expenses	472.233	9.342	431.888	19.254	362.159	-	
Administrative expenses	426.176	(16.882)	512.738	54.295	332.311	-	332.311
Selling expenses	29.486	18.499	24.883	6.616	23.339	(0.004)	23.340
Finance cost	1.297	(81.725)	7.097	109.413	3.389	(98.893)	306.040
Cost of sales	-	-	-	-	-	-	849.923
Construction and supervision cost of QASP	-	-	-	-	-	-	27.982
Operations, maintenance and allied service billing	-	-	-	-	-	-	362.160
Electricity	-	-	-	-	-	-	6910.820
Total	988.235	(1.491)	1003.197	-	737.735	(91.644)	8829.120
Net surplus for the year	664.512	(9.169)	731.591	(24.059)	963.366	66.063	580.120
Actuarial gain/(loss) on re-measurement of post-employment benefit	(68.655)	-	10.151	267.125	2.765	-	(2.765)
Total comprehensive income for the year	595.857	(19.668)	741.742	(23.226)	966.131	67.339	577.350

(Source: Annual Audited Accounts for 2020-21 & 2021-22)

The company's overall income dropped from Rs 1,734.788 million in 2020-21 to Rs 1,652.747 million in 2021-22. Specifically, the income from sales of plots

went negative by Rs 81.022 million. This indicates that during 2021-22, the management made payments for returned plots that were initially sold in previous years. This situation requires further explanation and justification as company failed to perform its core function.

3.1.2.3 The return on bank deposits & investments surged from Rs 466.012 million in 2020-21 to Rs 807.049 million in 2021-22, marking a notable 73% increase. This increase suggests a management shift towards relying more on income from bank deposits rather than income from plot sales, which had declined from Rs 183.871 million to a negative of Rs 81.021. It indicated that loans received from the Government for various development projects at a 0.25% markup were invested in bank deposits at higher rates, contributing significantly to operational inefficiency.

3.1.2.4 The amount for bad debts written off increased from 0.114 million in 2020-21 to Rs 11.508 million in 2021-22, marking a staggering increase of 2000%. This significant rise indicates a weak recovery mechanism. Reason for such huge increase and needs improvement by conversion of receivables into receipts within a short period.

3.1.2.5 The accumulated default surcharge due to delays in repayment on Government loans rose from Rs 366.962 million in 2020-21 to Rs 520.620 million in 2021-22, marking a 42% increase. Urgent efforts are required from the management to pursue the waiver of this surcharge/penalty at the earliest possible opportunity.

3.1.2.6 Estate maintenance expense increased from Rs 26.591 million in 2020-21 to Rs 59.043 million in 2021-22 registering an increase of 122%. On the other hand sales receipts were negative in 2021-22. This situation demands immediately curtailment of expenses and increase in income from sale of plots

3.1.2.7 Marketing and promotion expenses increased from Rs 7.850 million in 2022-21 to Rs 13.442 million in 2021-22 registering the increase of 71% while income from the sale of plots was stood negative at Rs (81.022) million in 2021-22. The justification of increase in marketing expenses despite negativity in income from sale of plot needs to be explained.

3.1.2.8 Trade and other payables, inclusive of creditors, escalated from Rs 964.003 million in 2020-21 to Rs 1,829.182 million, marking a substantial 90% increase. Underlying reasons for this significant increase need to be explained despite availability of sufficient funds.

3.1.2.9 Trade receivables includes electricity bills receivables increased from Rs 1,066.476 million in 2020-21 to Rs 1,789.729 million in 2021-22 registering an increase of 68%. Similarly provision for doubtful debts stood as 701.400 million as on June 30, 2023. Strenuous efforts needs to be made for the recovery the amount from the receivable to avoid bad debts.

3.1.2.10 Title of land measuring area 667 acres in Multan Industrial Estate Phase II, 483 acres in Bahawalpur Industrial Estate, 200 acres in Vehari Industrial Estate, 130.11 acres in Chunian Industrial Estate and 390.75 acres in Bhalwal Industrial Estate had not been transferred in the name of the company. Efforts need to be made by the management to transfer the ownership in the name of the company.

3.1.2.11 Accounts/financial statements for the year 2019-20 have been restated at finalization of next year accounts 2020-21 after January 2023. During restatement under retrospective effect land held for development and resale was decreased by Rs 83.868 million, income due to sale of plot increased by 177.444 and accumulated reserves decreased by Rs 72.882. Reasons for restatement of accounts along with justification thereof need to be shared with audit.

3.1.3 Compliance of PAC Directives

No PAC meeting for the years 2014-15 to 2022-23 has been convened so far.

3.2 Punjab Government Printing Press, Bahawalpur

3.2.1 Introduction

Punjab Government Printing Press, Bahawalpur is rendering printing services to government departments in the province of Punjab.

3.2.2 Comments on Audited Accounts

3.2.2.1 The management failed to submit the annual audited accounts for the years 2008-09 to 2022-23 by December 31, 2023.

3.2.3 Compliance of PAC Directives

No PAC meeting for the years 2014-15 to 2022-23 has been convened so far.

3.2.4 Audit Paras

3.2.4.1 Loss due to non-charging of revised rates - Rs 2.038 million

According to notification No. SO (B&A) 1-14/2021-22(NTR) dated September 15, 2022, the rates of printing labour and binding labour were revised by the Industries Department.

During audit of Punjab Government Printing Press, Bahawalpur for the years 2019-23, it was observed that management charged old rates instead of new rates during the year 2022-23. Further, the cost of plates used for printing of various jobs was also not included in the total cost. Financial impact of these omissions is given as under:-

(Rs in million)						
Sr No.	Description	Hours consumed	New rate per hour (Rs)	Old rate per hour (Rs)	Difference of rate less charged (Rs)	Amount (Rs)
	A	B	C	D	E (C-D)	F (B*E)
1	Printing hours	2,435	120	90	30	0.073
2	Binding hours	35,255	70	40	30	1.057
3	Cost of printing plates					
	Description	Per unit cost		No. of printing plates used		
	Printing plates	Rs 883		1,028		0.908
Total						2.038

Due to weak internal controls and lack of effective communication between head office and printing press Bahawalpur, the actual rates were not charged and hence resulted into loss of Rs 2.038 million.

Audit is of the view that calculation of cost of a job/ work order was one of the core components and should have been calculated including actual expenditures incurred but the same was not observed.

The matter was reported to the management and PAO on October 30, 2023. The management replied that rate were revised in July, 2022 and July, 2023 and there was no loss to the Government. The reply was not tenable as new rates were not charged by the management, which caused loss.

DAC in its meeting held on January 12, 2024 directed the management to recover the rate differential.

Audit recommends compliance of DAC's directives.

3.3 Punjab Government Printing Press, Lahore

3.3.1 Introduction

Punjab Government Printing Press, Lahore is rendering printing services to government departments in the province of Punjab since 1914.

3.3.2 Comments on Audited Accounts

1.3.2.1 The management was failed to submit the annual audited accounts for the years 2007-08 to 2022-23 by December 31, 2023.

3.3.3 Compliance of PAC Directives

No PAC meeting for the years 2014-15 to 2022-23 has been convened so far.

3.3.4 Audit Paras

3.3.4.1 Irregular receipt of security deposit from pre-qualified printers in shape of defense saving certificates – Rs 4.611 million

According to sr. no. 8 of the terms and conditions of application form for pre-qualification, after inspection of the press, that applicant should furnish a pay order for Rs 50,000 as security (refundable) in the name of the Superintendent, Government Printing Press, Lahore “A” Class approved printers and security of Rs 25,000 pay order refundable in the name of the Superintendent, Government Printing Press, Lahore for “B” Class approved Printers.

During audit of Printing Press, Lahore for the years 2019-23, it was observed that management retained security from the contractors and pre-qualified printers in the shape of defense saving certificates contrary to the terms and conditions of pre-qualification. Audit scrutinized these defense saving certificates and it was revealed that these certificates were issued in the name of contractors/ suppliers instead of Government Printing Press which means that no security deposit valuing Rs 4.611 million was available.

Due to weak internal controls, terms and conditions of pre-qualification were violated.

Audit is of the view that due care and diligence was not exercised resulting into violation of terms and conditions of pre-qualification. Non-obtaining of security in requisite shape, is a serious lapse at the part of management.

The matter was reported to the management and PAO on October 30, 2023. The management replied that retention of security in the shape of saving certificate was a safest way to safeguard the government interest. The reply was not convincing as it was against the terms and conditions of pre-qualification. Moreover, in case of any default management cannot encash Defense Saving Certificates as they are in the name of contractor.

DAC in its meeting held on January 12, 2023 directed the management to get the matter regularized from Finance Department besides obtaining security in shape of pay order/CDR.

Audit recommends compliance of DAC's directives.

3.3.4.2 Irregular issuance of NOCs resulted into loss due to non-execution of jobs - Rs 114.845 million

According to clause 3.1, Chapter-III of Government printing and stationary manual 1960 the other Government departments are restricted for printing & binding work done except through the superintendent / works manager in whose jurisdiction his office fall or under his advice.

During audit of Printing Press, Lahore for the years 2019-23, it was observed that management issued NOC to different Government departments on the plea that four color printing facility was not available. During scrutiny of record it was revealed that in a number of cases NOC was issued for two color printing, although this facility was available in-house. Audit has noted that printing jobs having value of Rs 114.845 million were not executed in-house and NOCs were issued.

Weak internal controls and insincere efforts of the management, the Department was deprived off revenue generation opportunity amounting to Rs 114.845 million.

Audit is of the view that printing of different jobs is the primary function of the management but above mentioned jobs were not executed in-house and NOCs were issued to the respective departments for getting their printing work from private presses.

The matter was reported to the management and PAO on October 30, 2023. The management replied that four colour printing was not possible for which upgradation of press was requested. The reply was not convincing as NOCs were issued despite having in-house capacity.

DAC in its meeting held on January 12, 2023 directed the management to form a policy for issuance of NOC with the approval of administrative department.

Audit recommends compliance of DAC's directives.

3.3.4.3 Loss due to non-recovery of printing charges – Rs 10.692 million

According to office order dated July 07, 1996 issued by the Controller, Printing & Stationary Department Punjab, rates were fixed for printing of notifications in official gazette of Punjab which were Rs 3,477 per page of the official Gazette.

During audit of Printing Press, Lahore for the years 2019-23, it was noted that Rs 3,477 per page was fixed for printing of official notifications. Scrutiny of record revealed that two departments i.e. Law Department and Provincial Assembly Secretariat were not paying the charges. An amount of Rs 10.692 million (approx.) was recoverable from these departments.

Due to weak internal controls and management practices printing charges could not be billed and recovered from Law Department and Provincial Assembly Secretariat.

Audit is of the view that due diligence was not exercised while running the affairs of Printing Press Lahore resulting into loss to the department.

The matter was reported to the management and PAO on October 30, 2023. The management replied that bills regarding printing of Gazette Notification sent to both the departments for payment amounting to Rs 38.331 million. The reply was not tenable as huge amount of Rs 38.331 million could not be realized due to non-billing since long.

DAC in its meeting held on January 12, 2024 kept the para pending with the directions to effect recovery.

Audit recommends compliance of DAC's directives.

Chapter-4

Irrigation Department

Introduction

Irrigated agriculture is the major determinant of economic growth potential as it accounts for 26 % of the GDP and caters for over 40 % of the province's work force. Over 9% of agricultural output in Punjab comes from farmlands irrigated by one of the largest contiguous irrigation systems in the world. The colossal irrigation conveyance network is serving 21 million acres (8.4 million hectare) cultivable command area with cropping intensities generally exceeding 120%. Water is a critical resource for sustainable economic development of Pakistan and in this respective irrigated agriculture is of great importance in the socio-economic life of the country. Punjab Irrigation Department has a long term vision for Irrigation Sector to provide adequate, equitable and reliable irrigation supplies to the cultivable lands of Punjab aiming at enhanced agricultural productivity with focus on broad based institutional reforms.

(Rs in million)

Sr.No	Description	Total Nos	Audited	Expenditure audited FY 2022-23 (Rs)	Revenue/Receipt audited FY 2022-23 (Rs)
1	Formations	1	-	-	-
2	Authorities/Autonomous Bodies etc. under the PAO	1	1	327.22	35.31
3	Foreign Aided Projects (FAP)	-	-	-	-

Classified Summary of Audit Observations

Audit observations amounting to Rs 108.684 million were raised as a result of this audit. Summary of the audit observations classified by nature is as under:

(Rs in million)		
Sr.No	Classification	Amount (Rs)
1.	Non-Production of record	-
2.	Reported cases of fraud/Embezzlement and Mis-appropriation	-
3.	Irregularities	
a.	HR/employees related irregularities	-
b.	Procurement related irregularities	102.146
c.	Management of Accounts with Commercial Banks	-
4.	Value for money and service delivery issues	-
5.	Other	6.538

4.1 Mughalpura Irrigation Workshop (MIW)

4.1.1 Introduction

Irrigation Workshops Division, Mughalpura, Lahore was established in 1942 for the purpose of manufacturing and installation of gates, hoists machinery at river head works and canal regulators.

4.1.2 Comments on Audited Accounts

The management failed to provide annual audited accounts of the Workshop for the year 2011-12 to 2022-23 by December 31, 2023

4.1.3 Compliance of PAC Directives

Audit Report	Total Paras	Compliance received	Compliance not received	Percentage of compliance
1985-86	24	21	3	88%
1986-87	19	12	7	63%
1988-89	18	15	3	83%
2001-02	1	0	1	0%
2006-07	3	1	2	33%
2009-10	3	0	3	0 %
Total	92	73	19	79%

Although overall percentage of compliance of PAC directives was 79% but the compliance for the 2001-02 and 2009-10 was 0%, which needs improvement.

4.1.4 Audit Paras

4.1.4.1 Irregular payment to employees for purchase of material from local shopkeepers through cash memos – Rs 17.407 million

According to rule-12(1) of Punjab Procurement Rules 2014 “a procuring agency shall advertise procurement of more than two hundred thousand rupees and up to the limit of three million rupees on the website of the Authority”. Further Rule 8,“ a procuring agency shall, within one month from the commencement of a financial year, devise annual planning for all proposed

procurements with the object of realistically determining the requirements of the procuring agency, within its available resources”.

During audit of Mughalpura Irrigation Workshop (MIW) for the years 2018-23, it was observed that management purchased similar nature of material into piece meal from local market and payment valuing Rs 17.407 million paid was to the employees through advance payment/hand receipt. Hence, this procurement considered irregular by audit. Further, it was also noted that a consolidated amount was withdrawn from Treasurer Office through self cheque in favour of XEN MIW and an advance was paid to the employees who produced Cash memo bill (a hand written bill having consecutive serial numbers in most of the cases) from a local shopkeeper on consecutive dates for adjustment. Hence, an amount of Rs 17.407 million paid to employees on the basis of cash memo bill was considered irregular by audit.

Due to weak internal controls and non-observance of PPRA Rules, the said exercise was made by the management.

Audit is of the view that payment of Rs 17.407 million in violation of PPRA Rules was irregular.

The matter was reported to the management and PAO on October 11, 2023. The management replied that payment was made to different sub engineers against passed vouchers in observation of the PPRA Rules. The reply was not tenable as PPRA Rules were not observed.

DAC in its meeting held on December 07, 2023 did not accept the contention of the management and showed serious concern on this practice and directed that matter be probed through Administrative Department within 60 days for fixing responsibility.

Audit recommends compliance of DAC's directives.

4.1.4.2 Irregular procurement of material into piece meal through quotations in violation of PPRA Rules – Rs 39.419 million

According to rule-12(1) of Punjab Procurement Rules 2014 “a procuring agency shall advertise procurement of more than two hundred thousand rupees

and up to the limit of three million rupees on the website of the Authority”. According to rule 8, “a procuring agency shall, within one month from the commencement of a financial year, devise annual planning for all proposed procurements with the object of realistically determining the requirements of the procuring agency, within its available resources”. According to rule 15, “ a procuring agency may procure goods, services or works through framework contract in order to ensure uniformity in the procurement”.

During audit of MIW for the years 2018-23, it was observed that management purchased similar nature of material (electrodes, grinders, grinders disks, manila ropes and plates) into piece meal from local market through quotation and paid Rs 39.419 million in violation of PPRA Rules which was held irregular.

Due to weak internal controls and non exercising of due diligence practice the said procurement valuing Rs 39.419 million was made in violation of PPRA Rules.

Audit is of the view that purchase of similar nature of material into piece meal valuing Rs 39.419 million through quotation showed violation of PPRA Rules.

The matter was reported to the management and PAO on October 11, 2023. The management replied that the procurement was carried out in view of the need and requirement of job from time to time. The reply was not tenable as piece meal purchase of material was made in violation of PPRA Rules.

DAC in its meeting held on December 07, 2023 did not accept the contention of the management and directed the management to get the said procurement regularized from Finance Department.

Audit recommends compliance of DAC’s directives.

Note: The issue was also reported earlier in the Audit Report for Audit Year 2019-20 vide para number 6.1.4.2 having financial impact of Rs 16.021 million. Recurrence of same irregularity is a matter of serious concern.

4.1.4.3 Irregular procurement of electrodes and oxygen gas cylinder without press advertisement – Rs 9.129 million

According to rule-12(2) of Punjab Procurement Rules 2014 “any procurement exceeding three million rupees shall be advertised on the website of the Authority, the website of the procuring agency, if any, and in at least two national daily newspapers of wide circulation, one in English and one in Urdu”.

During audit of MIW for the years 2018-23, it was observed that the management procured M.S electrodes and oxygen gas cylinder valuing Rs 9.129 million during 2020-21 through quotations without giving press advertisement in violation of PPRA Rules. Hence, these procurements considered irregular by audit. Detail is as under:

(Rs in million)

Sr. No.	Detail of Material	Date	Amount (Rs)
1	M.S Electrodes	2020-21	4.807
2	Oxygen Cylinder	2020-21	4.322
Total			9.129

Due to weak internal controls, procurement of Rs 9.129 million was made in violation of PPRA Rules.

Audit is of the view that the said procurement was made by splitting only to avoid tender procedure.

The matter was reported to the management and PAO on October 11, 2023. The management replied that the said material was procured on day to day basis from Government contractors. The reply was not tenable because at the time of approval of engineering estimates total quantity of required material was worked out. In case the estimated cost of material crossed the PPRA Rules limit then rule 12(1) or rule 12(2) of PPRA Rules were to be followed.

DAC in its meeting held on December 07, 2023 did not accept the viewpoint of the management and directed to investigate the matter through Administrative Department within 60 days and fix responsibility.

Audit recommends compliance of DAC’s directives.

Note: The issue was also reported earlier in the Audit Report for Audit Year 2019-20 vide para number 6.1.4.3 having financial impact of Rs 9.812 million. Recurrence of same irregularity is a matter of serious concern.

4.1.4.4 Irregular procurement of POL from different suppliers without press advertisement – Rs 36.191 million

According to rule-12(2) of Punjab Procurement Rules 2014 “any procurement exceeding three million rupees shall be advertised on the website of the Authority, the website of the procuring agency, if any, and in at least two national daily newspapers of wide circulation, one in English and one in Urdu”.

During audit of MIW for the years 2018-23, it was revealed that the management procured POL valuing Rs 36.191 million from different suppliers during 2018-19, 2019-20 & 2020-21 without giving press advertisement in violation of PPRA Rules. Hence, this procurement considered irregular by audit.

Due to weak internal controls and non-following of due diligence exercise the said procurement of Rs 36.191 million was made by in violation of PPRA Rules.

Audit is of the view that non-observance of PPRA Rules indicated a serious lapse on the part of the management.

The matter was reported to the management and PAO on October 11, 2023. The management replied that the procurement of POL was made from approved dealers according to estimates for completion of different jobs. The reply was not convincing because during verification, audit demanded the authorization letter for bulk supply of POL issued by distribution company in favour of dealers from whom POL was procured. No such record was provided by the management.

DAC in its meeting held on December 07, 2023 showed its concern and directed the management to probe the matter under Administrative Department and fix responsibility.

Audit recommends compliance of DAC’s directives.

4.1.4.5 Huge expenditure incurred on repair & maintenance of vehicles & generators – Rs 6.538 million

As per Rule-2.10 of the Punjab Financial Rules Vol-I, every public officer is expected to exercise the same vigilance in respect of expenditure incurred from public money, as a person of ordinary prudence would exercise in respect of expenditure of his own money.

During audit of MIW for the years 2018-23, it was observed that management paid a huge expenditure of Rs 6.538 million on repair & maintenance of vehicles and generators during the years 2018-19, 2019-20 & 2020-21. It was also noted that most of the expenditures were of recurrence in nature and met through hand receipt/advance issued to the employees. Hence, considered unjustified.

Due to weak internal controls and weak administrative management an huge expenditure of Rs 6.538 million incurred on repair & maintenance.

Audit is of the view that recurrence of huge expenditures incurred on repair and maintenance of vehicle needed inquired.

The matter was reported to the management and PAO on October 11, 2023. The management replied that to keep the vehicles functional and ready for inspection of sites all over the Punjab, above repair & maintenance cost on vehicles was incurred. The reply was not tenable because during 2018-19 to 2020-21 management could not acquire a single job.

DAC in its meeting held on December 07, 2023 showed its concern and directed that the matter be probed under the Administrative Department for fixing responsibility.

Audit recommends compliance of DAC's directives.

Chapter-5

Labour and Human Resource Department

Introduction

Labour & Human Resource Department Punjab is established under the Punjab Government Rules of Business, 1974.

The mission is to “Promote the Welfare and Protecting the Rights of Labour Force and Workmen”.

Purpose/ Objectives

The main objective of Labour & Human Resource Department is essentially concerned with the promotion of healthy labour management and Industrial Relations for greater socio-economic progress and development, protects the rights of workmen & labour force, lays equal stress on their housing, health, safety and protection in order to make them more committed to their work, prevention of Child & Bonded Labour keeping in view the national and international standards and effective control over weights and measures.

The Government of the Punjab established the Punjab Employees Social Security Institution and Punjab Social Security Health Management Company governed by Bonded Labour System (Abolition) Act, 1992, Companies Profits (Workers Participation) Act, 1968, Disabled Persons, (Employment And Rehabilitation) Ordinance, 1981, Employees’ Cost Of Living (Relief) Act, 1973, Employment (Record Of Services) Act, 1951, Essential Personnel (Registration) Ordinance, 1948, Factories Act, 1934, Industrial Statistics Act, 1942, Minimum Wages Ordinance, 1961, Payment Of Wages Act, 1936, Provincial Employees’ Social Security Ordinance, 1965, Punjab Employees Special Allowance (Payment) Act, 1988, Punjab Fair Price Shops (Factories) Ordinance, 1971, Punjab Industrial Relations Act 2010, Punjab Maternity Benefit Ordinance, 1958, Punjab Prohibition Of Child Labour At Brick Kilns Act 2016, Punjab Restriction On Employment Of Children Act 2016, Road Transport Workers Ordinance, 1961, The Industrial And Commercial Employment (Standing Orders) Ordinance, 1968, The Provincial Employees’ Social Security Ordinance, 1965,

West Pakistan Industrial And Commercial Employment (Standing Orders) Ordinance, 1968, West Pakistan Maternity Benefit Ordinance, 1958, West Pakistan Minimum Wages For Unskilled Workers Ordinance, 1969, West Pakistan Shops And Establishments Ordinance, 1969, Workers Children (Education) Ordinance, 1972, Workers Welfare Fund Ordinance, 1971, Workmen Compensation Act, 1923, The Punjab Domestic Workers Act 2019, The Punjab Occupational Health and Safety Act 2019.

Formations:

- Punjab Employees Social Security Institution
- Punjab Social Security Health Management Company.

Audit Profile of Labour and Human Resource Department

(Rs in million)

Sr. No.	Description	Total Nos.	Audited	Expenditure audited FY 2021-22 (Rs)	Revenue/Receipt audited FY 2021-22 (Rs)
1	Formations	1	-	-	-
2	Authorities/Autonomous Bodies etc. under the PAO	1	1	11,569.01	18,385.42
3	Foreign Aided Projects (FAP)	-	-	-	-

Summary of Audit Observations

Audit observations amounting to Rs 1,268.731 million were raised as a result of this audit. This amount also includes recoverable of Rs 270.612 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

Overview of the Audit Observations

(Rs in million)

Sr. No	Classification	Amount (Rs)
1.	Non-production of record	-
2.	Reported cases of fraud/Embezzlement and Misappropriation	-
3.	Irregularities	
a.	HR/employees related irregularities	-
b.	Procurement related irregularities	52.112
c.	Management of Accounts with Commercial Banks	-
4.	Value for money and service delivery issues	1,170.578
5.	Other	46.041

5.1 Punjab Employees Social Security Institution (PESSI)

5.1.1 Introduction

Punjab Employees Social Security Institution (PESSI) was established in 1965 under the Provincial Social Security Ordinance, 1965. It has 10 major hospitals, 5 mini hospitals, 37 injury treatment centers, 128 dispensaries and 84 medical posts in the province for the provision of health facilities to the employees of notified units. Objective of the institution is introduction of a scheme of social security for providing benefit to secured workers and their dependents in the event of sickness, maternity, employment injury or death.

5.1.2 Comments on Audited Accounts

The management failed to provide annual audited accounts for the years 2012-13 to 2022-23 by December 31, 2023.

5.1.3 Compliance of PAC Directives

Audit Report	Total Paras	Compliance received	Compliance not received	Percentage of compliance
1985-86 to 1998-99	4	4	0	100%
1999-00	1	0	1	0%
2000-01	9	5	4	56%
2001-02	1	0	1	0%
2006-07	13	13	0	100%
2009-10	7	1	6	14%
2010-11	10	0	10	0%
2011-12	20	0	20	0%
Total	65	23	42	35%

Overall compliance is 35% which is not satisfactory and need special attention of PAO.

5.1.4 Audit Paras

5.1.4.1 Irregular award of contract of construction work of Social Security Medical Directorate at Sargodha – Rs 22.124 million

According to rules-25(3&4) of PPRA, any information that becomes necessary for bidding or for bid evaluation, after the invitation to bid or issue of the bidding documents to the prospective bidders, shall be provided in a timely manner and on equal opportunity basis. Where any change becomes essential in the procurement process, such change shall be made in a manner similar to that of the original advertisement. Further, according to rule 59(c)(iv) of Punjab Public Procurement Rules 2014, repeat orders not exceeding fifteen percent of the original procurement.

During audit of Punjab Social Security Institution for the year 2022-23, it was observed that the management floated a tender on June 21, 2021 for construction of Social Security Medical Directorate at Sargodha. The management issued work order for Rs 22.124 million. During the excavation of work of the project, it was observed that the water table of the proposed site is just four feet below the surface level. Due to bearing capacity of the soil was found very weak and structure of the building was rejected on this type of surface and scope was structure changed from Bricks to RCC structure. The amount of work was enhanced to Rs 39.30 million which was 77% excess of the original work. Due to the change in scope of work, a revised tender should be advertised for obtaining competitive rates as per rules.

Due to weak internal controls, management awarded work of enhanced scope without tender and granted undue benefits to the contractor.

Audit is of the view that management should have floated the revised tender due to change in scope and amount.

The matter was reported to the management and PAO on December 11, 2023. The management replied that the contractor was immediately deputed to commence the construction work at site due to ongoing litigation in the High Court vide WP No.65143/2019. The reply of the management is not convincing as the writ petition was filed in 2019 by Mr. Waqar a Sheikh. Work was awarded

in September 15, 2021 and work started in Feb 2022 which negate the instance of the emergency.

DAC in its meeting held on January 22, 2024 directed the management to provide decision of the BoG regarding award of contract to the contractor without advertisement. The management provided the record which did not support its stance.

Audit recommends compliance of DAC's directives.

5.1.4.2 Un-justified procurement of Air Fluidized therapy bed without demand and need – Rs 29.988 million

According to para-71 of the Staff Instructions (Volume-I) of PESSI, it is the duty of every member of the staff of institution to safeguard the money or other property of the Institution by cooperating in the strict observance of the instructions which follow, particularly those which are designed to act as safeguard against error and fraud.

During audit of PESSI, Lahore for the year 2022-23, it was observed that the management procured two Air Fluidized Therapy Beds vide supply order dated March 03, 2022 for Rs 29.988 million (Euro 149,691) from M/s Clinical Life Inc, Lahore for SS Hospital Shahdara. At the time of delivery to the Hospital for utilization of beds, the management of the he concerned hospital informed the Head Office that they were not demanded said beds. The matter was placed before the Governing Body of PESSI in its 158th meeting held on Nov 11, 2022 and decided to conduct a fact finding report regarding procurement of Air Fluidized Beds without need/demand. As per fact finding report that there was no arrangement of proper unit/utilized burn care before the purchase of said beds and no demand of beds from SSH Shahdara was found. The beds are still at store of PESSI and unutilized, but no responsibility was fixed against the person (s) at fault. Thus, management procured beds of Rs 29.988 million without demand/need.

Due to weak internal management procured beds without any need.

Audit is of the view that management should fix the responsibility on the person (s) at fault.

The matter was reported to the management and PAO on December 11, 2023. The management replied that before establishment of 8-10 bedded Burn Unit the beds will be placed in the Surgical-ICU. The reply was not convincing as the beds were purchased without any demand and need.

DAC in its meeting held on January 22, 2024 directed the management to make road map for construction of burn unit and utilization of beds.

Audit recommends compliance of DAC's directives.

5.1.4.3 Non implementation of HMIS at PESSI Hospitals after completion of the contract - Rs 650.00 million

According to Project Document signed between PESSI and PITB regarding implementation of HMIS at sixteen Hospitals of PESSI, HMIS will be implemented in the hospitals in a period of two years in two phases. The gestation of this project will be from November 2021 to October 2023.

During audit of PESSI, Lahore for the year 2022-23, it was observed that Governing Body of the PESSI in its 152nd meeting held on August 31, 2021 accorded administrative approval for implementation of Health Management Information System (HMIS) at 16-Hospitals within two years from Nov 2021 to October 2023 with tentative cost of Rs 650 million. PESSI management contacted PITB and signed agreement on Dec 27, 2021 with PITB for implementation of HMIS at hospitals for Rs 650 million. The gestation period of the project was completed but only four (4) modules are functional out of thirty (30) modules.

Audit is of the view that management must have taken up the issue with PITB higher authorities as the project period is completed but implementation is remained unsatisfactory and incomplete.

The matter was reported to the management and PAO on December 11, 2023. The management replied that gestation period of the project has been extended upto April 30, 2024. The reply was not convincing as the HMIS was not implemented.

DAC in its meeting held on January 22, 2024 directed the management to implement the HMIS at PESSI hospitals.

Audit recommends compliance of DAC's directives.

5.1.4.4 Loss due to non-recovery from employers despite deciding the case under Section-57 in favor of PESSI – Rs 162.586 million

Any person aggrieved by a decision of the Institution under section 57 or on a review under section 58 may appeal to the appropriate Social Security Court.

During audit of PESSI, Lahore for the year 2022-23, it was observed that some employers made appeal to Commissioner U/S 57 of PESSI Ordinance, 1965 against the social security contribution claimed by the PESSI management. The cases were decided during 2022-23 in favor of PESSI. These employers neither filed review appeal U/S 58 nor made appeal U/S 59 to Social Security Court. Thus, the PESSI management was required to recover the amount of social security contribution in light of decision U/S 57 of PESSI Ordinance but the same was not recovered so far resulted loss of Rs 162.586 million to the Institution. Detail is in **Annex-9**.

Audit is of the view that the management should recovered the amount on priority basis from the employers after decision U/S 57 but no efforts was made by management resulted non-recovery of social security contribution.

The matter was reported to the management and PAO on December 11, 2023. The management replied that an amount of Rs 6.430 million has been recovered out of Rs 169.017 million. the reply was not convincing as the whole amount must be recovered.

DAC in its meeting held on January 22, 2024 directed the management to recover the remaining amount.

Audit recommends compliance of DAC's directives.

5.1.4.5 Loss due to non-recovery of contribution under the Land Revenue Act – Rs 138.538 million

According to clause-23 of PESSI Ordinance, 1965, the amount of the contributions due, together with the increase provided for under sub-section (1), may be recovered as arrears of land-revenue.

During audit of PESSI Directorates of Social Security Lahore (City & South), Faisalabad (North) and Gujranwala for the years 2022-23, it was observed that the number of units were proceeded as per Land Revenue Act valuing Rs 141.854 million and only Rs 3.315 million recovered as detailed below:

(Rs in million)

Sr. No.	Name of directorate	No of cases proceeded under LRA current year	Amount Involved (Rs)	Amount recovered (Rs)	Amount Pending (Rs)
1.	Faisalabad (North)	29	14.912	0.279	14.632
2.	Gujranwala	27	27.763	0.471	27.292
3.	Lahore (City)	19	19.734	2.565	17.169
4.	Lahore (South)	18	79.445	0	79.445
	Total	93	141.854	3.315	138.538

This resulted in increase in arrears and in number of cases proceeded against under Land Revenue Act.

Audit is of the view that non-pursuance of the provisions of Land Revenue Act is the cause of loss and this irregularity.

The matter was reported to the management and PAO on December 11, 2023. The management replied that that Directorates are continuously making efforts to recover the amount of current as well as previous arrears. The reply was not convincing as under the Land Revenue Act management was required to make efforts for recovery.

DAC in its meeting held on January 22, 2024 directed the management to recover the amount.

Audit recommends compliance of DAC's directives.

Note: The issue was also reported earlier in the Audit Report for Audit Year 2020-21 vide para number 5.1.4.4 having financial impact of Rs 13.543 million. Recurrence of same irregularity is a matter of serious concern.

5.1.4.6 Loss due to less receipt of dues from the University of Lahore - Rs 78.94 million

According to agreements executed between the University of Lahore with SSH Multan Road Lahore and with SSH Gujranwala on Feb 09, 2022 and May 16, 2022 respectively, the University shall pay 5% of tuition fee, honorarium to consultant of the Hospitals, contribution to SS Hospitals in the form of medical equipment. Nonpayment in this behalf shall be considered a valid ground for the termination of the agreement.

During audit of PESSI Social Security Hospital, Multan Road, Lahore and Gujranwala for the period 2022-23, it was observed that University of Lahore was bound to pay certain payment to hospitals as per agreements mentioned above. The university of Lahore did not pay of Rs 78.94 million to the PESSI hospitals. Detail is as under:

(Rs in million)

Sr. No.	Clause of agreement	Amount to be paid as per agreements (Rs)		Amount actually received (Rs)		Difference of Receipt (Rs)		Total Non/Less Receipt (Rs)
		Lahore Hospital	Gujranwala Hospital	Lahore Hospital	Gujranwala Hospital	Lahore Hospital	Gujranwala Hospital	
0	1	2	3	4	5	6 (2-4)	7 (3-5)	8 (6+7)
1	University shall pay 5% tuition fee (annual/semester fee) of the Hospitals	19.817	1.950	5.543	0.243	14.274	1.701	15.975
2	University shall pay honorarium of the consultants of the Hospitals	Paid as per agreement	2.700	Paid as per agreement	1.035	0	3.735	3.735
3	University shall made contribution in the form of medical equipment	80.50	12.50	33.70	0	46.73	12.50	59.23
Total								78.94

Due to weak internal controls, management failed to recover the certain amounts from the university.

Audit is of the view that management should have received the amount as per agreement from the university.

The matter was reported to the management and PAO on December 11, 2023. The management replied that the an amount of Rs 33.77 million received against medical equipment and recovery of the remaining dues are being pursue. The reply was not convincing as the management was required to recover all dues as per agreements.

DAC in its meeting held on January 22, 2024 directed the management to recover the remaining amount from University of Lahore.

Audit recommends compliance of DAC's directives.

(DP Nos: 461,462,464,470)

5.1.4.7 Non-payment of Punjab Sales Tax to Punjab Revenue Authority - Rs 46.041 million

According to section 14 (3) of Punjab Sales Tax Act 2012, where a person or class of persons is required to collect full or part of the tax on the provision of any taxable service or class of taxable services and either fails to collect the tax or having collected the tax, fails to deposit the tax in the Government treasury, such person or class of persons shall be personally liable to pay the amount of tax to the Government in the prescribed manner.

During audit of PESSI, Lahore for the year 2022-23, it was observed that the Punjab Revenue Authority issued show cause notice dated August 24, 2023 to PESSI on account of management received taxable services for the financial year/periods from July 01, 2020 to June 30, 2021. Whereas it has been explicitly specified that PESSI was required to withhold/deduct and deposit the Punjab Sales tax but failed to make payment of Punjab Sales tax due on taxable services received for the said tax periods. As per the record available from PRA, PESSI have received taxable services of Rs 630.346 million during the tax period mentioned above but failed to deposit the amount of sales tax of Rs 46.041 million.

Due to weak financial controls, management failed to hold/deduct the sales tax as per rules.

Audit is of the view that management should recover the amount of Sales tax being withholding agent of PRA.

The matter was reported to the management and PAO on December 11, 2023. The management replied that that PESSI is going to be file an appeal against said recovery order which is under process. The reply was not convincing as the management was required to recover the tax as per rules.

DAC in its meeting held on January 22, 2024 directed the management to resolve the issue with tax authorities.

Audit recommends compliance of DAC's directives.

5.1.4.8 Loss due to non-pursuance for recovery of social security contribution from the units since long - Rs 6.732 million

According to rule-71 of the Staff Instruction Volume-I of PESSI, it is the duty of every member of the staff of institution to safeguard the money or other property of the Institution by cooperating in the strict observance of the instructions which follow, particularly those which are designed to act as safeguard against error and fraud.

During audit of PESSI Social Security Directorate City, Lahore for the period 2022-23, it was observed that the files of the certain units maintained at Directorate office showed that management did not pursue the recovery of Rs 6.732 million outstanding against the unit on account of social security contribution since long. Detail is in **Annex-10**

Due to weak internal controls a huge amount of the contribution is still recoverable, but management did not pursue nor taken any effort to recover the said amount.

Audit is of the view that management must have made efforts to recover the long outstanding dues from the units.

The matter was reported to the management and PAO on December 11, 2023. The management replied that recovery of the contribution is pursuing

regularly under the rules. The reply was not convincing as the dues are old but still recoverable.

DAC in its meeting held on January 22, 2024 directed the management to recover the long outstanding dues.

Audit recommends compliance of DAC's directives.

5.1.4.9 Loss due to non-recovery of contribution from newly registered units – Rs 4.162 million

According to clause 66 (1b&f) of PESSI Ordinance, 1965, if any person fails to pay any contribution which under this Ordinance he is liable to pay or he is guilty of any contravention of, or non-compliance with, any of the requirements of this Ordinance or the rules or the regulations, he shall, be punished with imprisonment which may extend to three months, or with fine or with both.

During audit of PESSI, Lahore for the period 2022-23, it was observed that the management of different Directorates registered new units under the Ordinance and issued notices for recovery on account of Social Security Contribution of Rs 7.560 million. The amount of Rs 3.398 million recovered leaving a balance of Rs 4.162 million. The management failed to recover this amount due to which PESSI suffered loss. The detail is as under:-

(Rs in million)	
Name of Directorate	Amount Not recovered (Rs)
Lahore South	0.093
Lahore City	1.626
Faisalabad North	0.664
Faisalabad West	1.779
Total	4.162

Due to weak operational controls, management suffered loss on account of non recovery of contribution from newly registered units.

Audit is of the view that the management should have contacted with the employers for recovery receipt of said amount and in case of non-recovery, legal action should have been taken for recovery of said amount but nothing was made.

The matter was reported to the management and PAO on December 11, 2023. The management replied that recovery of the contribution is pursuing regularly under the rules. The reply was not convincing as the dues are old but still recoverable.

DAC in its meeting held on January 22, 2024 directed the management to recover the dues.

Audit recommends compliance of DAC's directives.

Note: The issue was also reported earlier in the Audit Report for Audit Year 2021-22 vide para number 5.1.4.8 having financial impact of Rs 6.768 million. Recurrence of same irregularity is a matter of serious concern.

5.1.4.10 Loss due to non-recovery of medical expenses from State Life Insurance Company under Sehat Sahulat Card - Rs 1.734 million

According to clause-3.1 of agreement executed between SSH Multan Road Lahore (Provider) and State Life Insurance Company executed on April 28, 2022, the provider will be reimbursed for services rendered as per the agreement against a package rate treatment fee schedule.

During audit of PESSI Social Security Hospital, Multan Road, Lahore, Gujranwala and Faisalabad for the period 2022-23, it was observed that management of hospitals claimed medical expenses for Rs 6.11 million, Rs 1.977 million and Rs 0.678 million respectively from the State Life Insurance Company (SLIC) from time to time as per policy. The amount of Rs 1.252 million, 0.368 million and Rs 0.114 million is still outstanding of the medical claims of hospitals against SLIC.

Due to weak internal controls management failed to recover the dues Rs 1.734 million from the insurance company.

Audit is of the view that management failed to claim the medical expenses from the SLIC as per agreement.

The matter was reported to the management and PAO on December 11, 2023. The management replied that recovery of the dues was being pursued. The reply was not convincing as the dues were still recoverable.

DAC in its meeting held on January 22, 2024 directed the management to recover the long outstanding dues.

Audit recommends compliance of DAC's directives.

5.1.4.11 Loss due to less recovery of electricity cost from the residents of the hospital colony - Rs 2.014 million

According to rule-71 of the Staff Instructions(Volume-I) of PESSI, it is the duty of every member of the staff of institution to safeguard the money or other property of the Institution by cooperating in the strict observance of the instructions which follow, particularly those which are designed to act as safeguard against error and fraud.

During audit of PESSI Social Security Hospital, Multan Road, Lahore for the period 2022-23, it was observed that Hospital has 29-residences for the officers and officials. All residents used electricity from the hospital and paid bills through sub electricity meters installed at each residence by the hospital authorities. The calculation of the units for charging of electricity cost revealed that management added KWh and KVARh units for obtaining average unit cost which is incorrect due to which less unit cost charged to the residence. As per LESCO billing only KWh units considered for billing purpose instead of KVARh units. Thus, management suffered a loss of Rs 2.014 million due to less charging of unit cost from the residents of the colony. Detail as **Annex-11**.

Due to weak financial management, hospital suffered loss due to less charging of electricity cost to the residents of the hospital.

Audit is of the view that management should have charged as per unit cost of the LESCO billing.

The matter was reported to the management and PAO on December 11, 2023. The management replied that a Committee consisting of DMS (General) and concerned Clerk for billing has been constituted to probe the matter, which has recommended that it has been done due to wrong calculation of electricity bills, however, the recovery from the concerned quarters is in process.

DAC in its meeting held on January 22, 2024 directed the management to recover the amount at the earliest and install separate electricity meters for the residences.

Audit recommends compliance of DAC's directives.

**5.1.4.12 Loss due to non-recovery of contribution from employers
– Rs 2.22 million**

According to clause 66 (1b&f) of PESSI Ordinance, 1965, if any person fails to pay any contribution which under this Ordinance he is liable to pay or is guilty of any contravention of, or non-compliance with, any of the requirements of this Ordinance or the rules or the regulations, he shall, be punished with imprisonment which may extend to three months, or with fine or with both.

During audit of PESSI, Lahore for the year 2022-23, it was observed that the management of different Directorates of Social Security received cheques from employers on account of Social Security Contribution. When these cheques were presented in banks, 83-cheques valuing Rs 2.22 million were declared as dishonoured due to non-availability of funds. Thus, management suffered loss due to non-encashment of cheques provided by employers.

Due to weak financial controls, management suffered a loss on account of dishonoured cheques.

Audit is of the view that the management should have contacted with the employers for recovery of said amount and in case of non-recovery, legal action should have been taken for recovery of said amount but nothing was made.

The matter was reported to the management and PAO on December 11, 2023. The management replied that recovery from the concerned units is in process.

DAC in its meeting held on January 22, 2024 directed the management to recover the amount of dishonoured cheques.

Audit recommends compliance of DAC's directives.

Note: The issue was also reported earlier in the Audit Report for Audit Year 2021-22 vide para number 5.1.4.5 having financial impact of Rs 76.062 million. Recurrence of same irregularity is a matter of serious concern.

5.1.4.13 Loss due to non-recovery of upper wage ceiling from employer despite dismissal of appeal by High Court – Rs 123.652 million

According to rule-71 of the Staff Instructions(Volume-I) of PESSI, it is the duty of every member of the staff of institution to safeguard the money or other property of the Institution by cooperating in the strict observance of the instructions which follow, particularly those which are designed to act as safeguard against error and fraud.

During audit of PESSI, Lahore for the year 2022-23, it was observed that some employers were not observing the minimum wage rate announced by the Government of the Punjab for calculation and payment of social security contribution. These units filed intra court appeals against the levy of minimum wage rate ceiling for calculation of social security contribution and the honorable court granted stay orders against the notifications. The Lahore High Court dismissed the appeal against the demand of social security contribution on the basis of minimum wage rate on Jan 19, 2022. Despite dismissal of appeal by Lahore High Court social security contribution valuing Rs 123.652 million was not recovered by the management till to date as detailed below:

(Rs in million)		
Sr. No.	No of employers	Amount (Rs)
1	M/s Abdul Rehman Corporation	9.459
2	M/s Crescent Textile Mills	111.060
3	M/s RafhanMaiz Products	3.133
	Total	123.652

Due to weak internal controls management failed to recover the amount from the employers after decision of the court.

Audit is of the view that due to non-compliance of provisions of the social security ordinance, minimum wage rate announced by Government of the Punjab by employers was the cause of irregularity.

The matter was reported to the management and PAO on December 11, 2023. The management replied that M/s Rafhan Maiz Product, M/s. Abdul Rehman Corporation and M/s. Crescent Textile Mills have filed complaint under section 57 of PESS Ordinance 1965, therefore, the matter regarding recovery of contribution shall be taken up after the decision of learned Adjudicating Officer. The reply was not convincing as the court has been decided in the favor of PESSI then the PESSI Adjudicating officer must be decided at the earliest and recovered the dues from the employers

DAC in its meeting held on January 22, 2024 directed the management to pursue the matter vigorously for early recovery of outstanding dues from the employers.

Audit recommends compliance of DAC's directives.

Chapter-6

Livestock & Dairy Development Department

Introduction

Livestock is a rising sector as its contribution to the national economy is growing continuously. Apart from this, livestock is an active employer of thousands of landless poor, subsistence and semi-subsistence small farmer families. In short, livestock and its products are directly linked to the economy of small and medium-sized farmers. It is a major source of active food and adds significantly to the health, nutrition, and wellbeing of rural as well as urban consumers. Despite the critical importance of the subjected sector, its achievements, problems, and future prospects are not emphasized in the overall developmental plans. In a country like Pakistan, data regarding livestock is not readily available and is mostly scattered. Livestock and Dairy Development Department, Punjab is rendering different services to the livestock sector of the province through its infrastructure network in the field. In addition to the efforts being done at the government level, more focus is required to promote the livestock sector on market-oriented and demand-driven basis both in the public and private sectors for socio-economic uplift of the rural masses for achieving the ultimate goal of poverty alleviation.

Vision

Sustainable development in the livestock sector to ensure food security, enhanced competitiveness, quality life of stakeholders with exportable surpluses

Mission

To support livestock development in a policy environment that enables farmers to realize the dividends of livestock farming by smartly deploying public investments in core public goods, and inducing private capital/initiative in the sector for poverty alleviation, food security and generation of exportable surpluses

New Initiatives

The department is working on the following new initiatives:

- Kissan Livestock Baithak
- Genetic Improvement of Non-Descript Cattle in Punjab
- Establishment of Double Shift Veterinary Hospitals
- Provision of Ultra sonography facilities at Divisional Veterinary Hospitals
- Approval of Dog Population Control Policy
- TNVR Project
- Animal Nutrition Enhancement through Provision of Silage making machines to the farmers
- Establishment of New CVDs and MVDs
- Up-gradation of Civil Veterinary Hospitals and Diagnostic Labs at Divisional level
- Formulation of Livestock Policy, 2021
- Establishment of disease free zones/compartments for FMD
- Initiation of Punjab Animal Health Rules
- Development of gene pool for robust breed improvement

Audit Profile of Livestock & Dairy Development Department

(Rs in million)

Sr. No	Description	Total Nos	Audited	Expenditure audited FY 2022-23 (Rs)	Revenue/Receipt audited FY 2022-23 (Rs)
1.	Formations	02	01	217.99	240.97
2.	Authorities/Autonomous Bodies etc. under the PAO	-	-	-	-
3.	Foreign Aided Projects (FAP)	-	-	-	-

Classified Summary of Audit Observations

Audit observations amounting to Rs 974.618 million were raised as a result of this audit. Summary of the audit observations classified by nature is as under:

Overview of the Audit Observations

(Rs in million)		
Sr. No	Classification	Amount (Rs)
1.	Non-production of record	-
2.	Reported cases of fraud/Embezzlement and Misappropriation	-
3.	Irregularities	
a.	HR/employees related irregularities	10.432
b.	Procurement related irregularities	1.605
c.	Management of Accounts with Commercial Banks	-
4.	Value for money and service delivery issues	560.052
5.	Other	402.529

6.1 Punjab Agriculture and Meat Company

6.1.1 Introduction

Punjab Agriculture & Meat Company (former Lahore Meat Company) is a Government of the Punjab owned, non-profit R&D organization, duly incorporated and registered under Section 42 of Companies Ordinance, 1984 (now Companies Act 2017). The Company is aimed at formalizing horticulture and meat sector through interventions at each tier of value chain i.e. production, processing and marketing (inland & export) under compliance of international quality standards for human consumption.

6.1.2 Comments on Audited Accounts:

6.1.2.1 The working results of the company for the year 2021-22 as compared to the previous years are given under:

(Rs in million)

Particulars	2021-22	%Inc /(Dec)	2020-21	%Inc /(Dec)	2019-20	%Inc /(Dec)	2018-19
Income							
Grant income	0	-	0		0	-	0
Operating income	182.89	0.67	181.67	13.99	159.37	(9.99)	177.06
Other income	12.88	10.65	11.64	8.58	10.72	(40.90)	18.14
Total	195.77	1.27	193.31	13.65	170.09	(12.86)	195.20
Expenditure							
Operating expenses	146.02	(20.74)	184.23	(19.65)	229.28	(7.48)	247.81
Administrative expenses	44.39	(1.47)	45.05	6.25	42.40	0.45	42.21
Finance cost	0.01	(95.24)	0.21	(27.59)	0.29	866.67	0.03
Provision for taxation	0	-	0	-	0	-	0
Surplus/ (deficit) for the year	5.35	-	(36.18)	(64.49)	(101.89)	7.42	(94.85)
Total comprehensive income/ (loss) for the year	5.03	-	(34.02)	(66.39)	(101.21)	6.59	(94.95)

(Source: Annual Audited Accounts for the years 2016-17 to 2021-22)

As at the reporting date June 30, 2022 Company's general fund is negative by Rs 623.17 million and its current liabilities exceed its current assets by Rs 1,583.74 million. These conditions along-with other matters may cast

significant doubt about the company's ability to continue as a going concern. Management may devise a comprehensive business plan to make the company viable in future.

6.1.2.2 Financial Statements for the year 2021-22 states that provision for markup on long term loans amounting to Rs 18.13 million has not been recorded in the books of account in view of the company's request to the Government of the Punjab to convert these loans into equity or grant with waiver of mark up. Management is stressed to make efforts for early conversion of loans into equity/ grant or to recognize the amount of mark up in the books of account.

6.1.2.3 Financial Statements for the year 2021-22 indicates that no provision in respect of claim of return on amount due to Mashad Meat Industrial Complex (MMIC) has been made in the books of account. MMIC is claiming markup at the rate of 5% per annum from the year 2015. Non-settlement of matter with the party and non-recognition of amount of markup in the books of accounts needs immediate attention of the management.

6.1.2.4 Store, spares and loose tools increased from Rs 3.343 million in the year 2020-21 to Rs 4.899 million in the year 2021-22 registering an increase of 46.55%. Increase in stores, spares and loose tools along with detail of requirement for procurement and its subsequent utilization needs clarification as no note was given in the financial statements.

6.1.2.5 Advances to staff for expenses valuing Rs 0.709 million and Rs 1.010 million were given during the years 2020-21 and 2021-22 respectively. Complete detail of advances including relevant provisions allowing the management to give advances to staff for expenses, detail of expenses incurred and latest position may be provided.

6.1.2.6 Other receivables include an amount of Rs 29.474 million receivable on account of income tax refunds/ advance income tax as on June 30, 2022. The company is established as not for profit organization and is exempted from tax. Management should make serious efforts for early recovery of tax refunds.

6.1.2.7 Trade and other payables decreased from Rs 276.941 million in the year 2020-21 to Rs 274.107 million in the year 2021-22 registering a decrease of

1.02% only. This shows that management could not pay off its liabilities timely which needs justification.

6.1.2.8 Other income for the year 2020-21 includes an amount of Rs 3.910 million as balance written back on termination of lease. Complete detail of this balance including the nature, history and approval from competent authority may be provided for ensuring the authenticity.

6.1.2.9 Stores, spares and loose tools consumed under the head operating expenses increased from Rs 8.506 million in the year 2020-21 to Rs 15.466 million in the year 2021-22 registering an increase of 81.82%. Huge increase in these expenses needs clarification along with complete detail including nature, approval, requirement and consumption of these tools.

6.1.2.10 An amount of Rs 1.026 million was incurred in respect of legal and professional expenses in the year 2020-21. Huge amount was incurred which needs justification including detail of method adopted for hiring of experts, requirement for hiring and disposal of cases.

6.1.2.11 An amount of Rs 4.793 was shown as additions under the head machinery and equipment in the year 2018-19. Complete detail of procurement including requisition raised by the concerned department, its approval, mechanism adopted for procurement and its utilization may be provided.

6.1.2.12 Other receivables include an amount of Rs 4.964 million as receivable from subsidiary company in the year 2017-18. Latest position of recovery may be provided.

6.1.3 Compliance of PAC Directives:

PAC meetings for the years 2015-16 to 2022-23 were not convened.

6.1.4 Audit Paras

6.1.4.1 Irregular appointment after attaining the age of superannuation - Rs 10.432 million

According to Para 2(I)(ii) of Services and General Administration Department (S&GAD), Government of the Punjab letter No. SOR-I-10-1/2003

dated June 06, 2003, no department or authority shall re-employ or move a summary to the Chief Minister for re-employment of a retired Government servant (superannuation) without placing the case before the Provincial Re-employment Board/ Committee.

During audit of Punjab Agriculture and Meat Company (PAMCO) for the years 2018-23, it was observed that Mr. Tajamal Hussain, a retired Livestock officer having age of 61 years was appointed as Manager Admin initially for a period of three years in 2015 and subsequently promoted for the post of Manager Operations and then as Senior Manager Operations. The case of hiring the said employee after the age of superannuation was not sent to the Provincial Re-employment Board/ Committee for onward submission to the Chief Minister for final approval. Hence, appointment, promotion and payment of pay and allowances of Rs 10.432 million were considered irregular.

Weak internal controls, and non-observance of rules caused the irregularity.

Audit is of the view that management violated the Government policy/orders while re-employment of Government retired persons who attained the age of superannuation.

The matter was reported to the management and PAO on September 13, 2023. The management replied that there was no restriction to hire any public or private sector retired person as per Articles of Association/ HR manual of the company. The reply was not convincing as necessary approval from Provincial Re-employment Board/ committee and Chief Minister was required.

DAC in its meeting held on January 10, 2024 directed the management to refer the matter to Punjab Finance Department for its regularization.

Audit recommends compliance of DAC's directives.

6.1.4.2 Irregular appointment of external auditors without concurrence of Auditor-General of Pakistan - Rs 1.605 million

According to Auditor-General of Pakistan's office letter No 05/61-AR-111/c/2001 (PF) dated 2nd January 2002, dated October 21, 2021 and dated

October 17, 2022, in case of appointment of Chartered Accountant Firms by Government owned/ controlled bodies or companies, a reference is required to be forwarded through controlling ministry/ department to Auditor-General's office for concurrence.

During audit of PAMCO for the years 2018-2023, it was observed that company appointed Chartered Accountant firms for audit of the accounts of the company. It was noted that the said Chartered Accountant firms were hired without concurrence from office of the Auditor-General of Pakistan. Thus, the payment of Rs 1.605 million to the firm is held irregular.

Due to weak internal controls, the instructions of AGP were not followed.

Audit is of the view that services of external auditors should have been hired after obtaining concurrence from Auditor-General of Pakistan office but the same was not obtained.

The matter was reported to the management and PAO on September 13, 2023. The management replied that case shall be submitted for ex-post facto approval of the Auditor-General of Pakistan through administrative department. In future the case will also be submitted to AGP for obtaining prior concurrence regarding the appointment of the external auditor. The reply was not convincing as prior concurrence of worthy AGP should have been obtained for appointment of external auditors.

DAC in its meeting held on January 10, 2024 directed the management to get ex-post facto approval from AGP.

Audit recommends compliance of DAC's directives.

6.1.4.3 Non-development of mechanism to curb illegal slaughtering resulted into less utilization of plant capacity - Rs 467.828 million

According to clause-V (19&20) of Memorandum of Association (MoA), the objectives of the company were to take over the charge of all existing slaughter houses in Punjab from local/ district government to construct/improve/operate them on modern lines and to seek the powers from

district governments/local governments/authorized agencies to curb the illegal slaughtering/un-hygienic practices of animals in Punjab.

During audit of PAMCO for the years 2018-23, it was observed that illegal slaughtering issue was discussed in 35th meeting of BoD held on October 06, 2016. The house was apprised that company was facing financial distress due to insufficient action against the illegal slaughtering. It was decided that the said issue shall be discussed in next meeting to determine as to which government entity is responsible for taking measures/ action to curb illegal slaughtering but no action was found to have been taken. Moreover, two independent slaughtering lines each for beef and mutton having capacity of 132,000 and 1,584,000 animals per annum were installed whereas capacity utilization was 52,055 and 851,234 animals respectively in 2022-23. Consequently, company suffered operational losses of Rs 467.828 million during the years 2017-18 to 2022-23.

Non-development of mechanism to curb illegal slaughtering caused less utilization of plant capacity and operational losses.

Audit is of the view that management must have developed a mechanism to curb illegal slaughtering in order to fully utilize the plant and operational facilities.

The matter was reported to the management and PAO on September 13, 2023. The management replied that the matter of illegal slaughtering is currently under active consideration of the BoD and the Administrative Department. The reply was not convincing as no sincere efforts were found to have been taken to curb illegal slaughtering for utilization of plant at full capacity.

DAC in its meeting held on January 10, 2024 directed the management to devise a comprehensive mechanism in order to take up the matter with concerned authorities.

Audit recommends compliance of DAC's directives.

(DP Nos: 247,248)

6.1.4.4 Wasteful expenditure due to non-utilization of cold store items and boilers - Rs 92.224 million

Para-2(a&d) of Pakistan Civil Aviation Authority's letter dated July 23, 2021, conveyed that lease agreement with M/s PAMCO regarding establishment of cold storage facility at Allama Iqbal International Airport (AIIA) Lahore has been terminated w.e.f. April 01, 2021 and allowed to relocate the movable/portable machinery/ equipment from AIIAP Lahore to PAMCO premises. Moreover, clause-33 of Memorandum of Association states that management shall take such actions as considered necessary to raise the status or to promote the efficiency of the company.

During audit of PAMCO for the years 2018-23, it was observed that a cold store facility installed at Lahore Airport was dismantled and its assets were shifted to slaughter house for extension in cooling system on January 01, 2022. Similarly, two boilers were installed for heating requirements of the project as well as to steam the blood powder plant during January, 2013. These boilers remained operational at minimum level upto April, 2019 and since then boilers and Furnace Oil were lying idle. The detail of unutilized assets is given hereunder:

			(Rs in million)
A	Cold storage facility	Description	Amount (Rs)
	Plant, Machinery & Equipment	Cold storage equipment	39.965
		Electrical Works	14.126
		Racking system	1.022
		Crown Stacker	1.772
	Furniture & Fixtures	Signage	0.270
Total (A)			57.156
B	Boiler		
	Plant & Machinery	Boilers	31.784
		Furnace Oil (18,661 liters* Rs 176 per ltr)	3.284
Total (B)			35.068
G.Total (A+B)			92.224

Non-utilization of cold store facility and boilers is an indicative of weak internal controls and managerial failure.

Audit is of the view that sincere efforts should be made to utilize the cold store facility and to make the boilers operational.

The matter was reported to the management and PAO on September 13, 2023. The management replied that cold store facility and boilers would be viable on increase of animals supply that link with the issue of illegal slaughtering. The reply was not convincing as no concrete steps were taken to curb illegal slaughtering.

DAC in its meeting held on January 10, 2024, directed the management to make a comprehensive plan for utilization dismantled store items.

Audit recommends compliance of DAC's directives.

(DP Nos: 235,239)

6.1.4.5 Illegal occupation of land by Cattle Market Company and non-initiation of claim for land usage rental - Rs 6,520.00 million

According to agenda item No. 02 of 56th meeting of BoD dated May 30, 2023, the house empowered the BoD Procurement committee to finalize formal claim on behalf of PAMCO, seeking rental charges for utilization of land from Punjab Cattle Market Management and Development Company to be forwarded through Livestock Department, Government of the Punjab.

During audit of PAMCO for the years 2018-23, it was observed that a piece of land i.e. 437 kanal out of 716 Kanal was diverted/ reallocated to Cattle Market Company by the DCO, Lahore without knowledge and consent of PAMCO on August 16, 2012. The matter was discussed in detail by the BoD in its 56th meeting held on May 30, 2023 and decided to seek expert opinion from Board of Revenue and Law Department, Government of the Punjab and authorize BoD Procurement Committee to initiate communication with Local Government & Community Development Department as well as City District Government and finalize a formal claim of Rs 6,520.00 million from Cattle Market Company on account of land usage charges. Despite passing of more than 10 years, the company neither obtained possession of land nor received land usage charges of Rs 6,520.00 million.

Due to managerial failure, neither possession of the land could be obtained nor claim for its usage charges was initiated.

Audit is of the view that sincere efforts should have been made by the management for early vacation of the land and also recovery of land rental charges but no fruitful progress was made till date.

The matter was reported to the management and PAO on September 13, 2023. The management replied that the matter will be presented before the BoD upon re-constitution of the regular board for its consideration. The reply was not convincing as more than 10 years have been passed but neither rental claim of Rs 6,520 million could be realized nor took possession of land.

DAC in its meeting held on January 10, 2024 kept the para pending till receipt of claim for land usage.

Audit recommends compliance of DAC's directives.

6.1.4.6 Irregular appointment of Chairman as CEO

According to rule 4(1)(c) of the Corporate Governance Rules 2013, the office of the chairman shall be separate, and his responsibilities distinct, from those of the chief executive. The chairman has a responsibility to lead the Board and ensure its effective functioning and continuous development, he shall not be involved in day to day operations of the Public Sector Company.

During audit of PAMCO for the years 2018-23, it was observed that the charge of CEO was assigned to the Chairman by the Board as a stop gap arrangement. The charge of CEO was approved by the Board in its 37th meeting held on May 26, 2017 yet the representative of Finance Department highlighted this violation which was also endorsed by one of the other members. The Chairman continued to hold the charge for the post upto four years in violation of the rules and hence considered irregular.

Due to weak internal controls the instructions of CGR could not be followed.

Audit is of the view that the management must have followed the instructions as referred above.

The matter was reported to the management and PAO on September 13, 2023. The management replied that the positions of Chairman and CEO have

been separated since May, 2019 and services as CEO were rendered on honorary basis. The reply was not convincing as charge of CEO was given to the chairman in violation of Corporate Governance Rules.

DAC in its meeting held on January 10, 2024, directed the management to submit detailed reply to audit and regularize expenditure from relevant authority.

Audit recommends compliance of DAC's directives

6.1.4.7 Irregular payments to Chairman holding charge as CEO - Rs 7.235 million

According to rule 4(1)(c) of the Corporate Governance Rules 2013, the office of the chairman shall be separate, and his responsibilities distinct, from those of the chief executive. The chairman has a responsibility to lead the Board and ensure its effective functioning and continuous development, he shall not be involved in day to day operations of the Public Sector Company.

During audit of PAMCO for the years 2018-23, it was observed that the charge of CEO was assigned to the Chairman as a stop gap arrangement by the Board in its 37th meeting held on May 26, 2017 in violation of Corporate Governance Rules. The Chairman of the Board continued to hold the charge of CEO for a period of almost four years and enjoyed the facilities of a vehicle, driver, reimbursement of fuel, mobile phone and Daily allowance equal to BPS-20. Thus, the assigning of charge of CEO and payment of Rs 7.235 million was held irregular in audit.

Due to weak managerial controls, the irregularity was occurred.

Audit is of the view that instructions of corporate governance rules must have been followed by the management to avoid the said violation.

The matter was reported to management and PAO on October 20,2023. The management replied that position of Chairman and CEO had been separated since May 2019. The Chairman served as CEO on honorary basis and perks & benefits were approved by Board of Directors in its meeting held on June 20,2014. The reply was not convincing as charge was assigned in violation of CGRs.

DAC in its meeting held on January 10, 2024 directed the management to get the expenditure regularized from Finance Department.

Audit recommends compliance of DAC's directive.

Note: The issue was also reported earlier in the Audit Report for Audit Year 2018-19 vide para number 6.1.4.2 having financial impact of Rs 1.787 million. Recurrence of same irregularity is a matter of serious concern.

6.1.4.8 Non-refund of income tax credit from tax authorities - Rs 29.488 million

According to section 100 (C) read with section 2(36) of Income Tax Ordinance 2001, PAMCO being a Non-Profit Organization was allowed a tax credit equal to one hundred percent of tax payable under any provisions of this Ordinance including minimum and final taxes in respect of incomes.

During audit of PAMCO for the years 2018-23, it was observed that an amount of Rs 29.488 million was shown as income tax refund in the financial statements for the year 2022-23. The company was registered as non-profit organization under section 42 of Companies Act, 2017. It was noted that no action was taken to claim refundable amount. Thus, a sum of Rs 29.488 million was blocked due to non-claiming of income tax refund.

Audit is of the view that sincere efforts should have been made for early refund of income tax amount as company was facing financial issues.

The matter was reported to management and PAO on October 20, 2023. The management replied that matter was under active consideration of BoD and appropriate decision would be made for including provision for accounting treatment to expense out under proper guidance of tax advisor. The reply was not convincing as management failed to get exemption or to claim refund in time.

DAC in its meeting held on January 10, 2024 directed the management to refer the matter to Federal Board of Revenue (FBR) for claiming refund to seek exemption at the earliest.

Audit recommends compliance of DAC's directive

6.1.4.9 Non-payment of partner's share along with markup - Rs 365.806 million

According to agenda item No. 02 of 42nd meeting of BoD held on October 09, 2018, the house constituted a committee to resolve the issue payables on account of MMIC to Iran for its share in the partnership.

During audit of PAMCO for the years 2018-23, it was observed that Mashhad Meat Industrial Complex (MMIC), Iran invested Rs 261.290 million for purchase of machinery to establish a slaughter house under a partnership deed dated January 07, 2015. The management's failure to fulfill its obligations resulted into termination of partnership deed. The MMIC, Iran requested for repayment of its share along with markup @ 5% per annum w.e.f. 2015. The management constituted a committee in October, 2018 to devise a mechanism to resolve the issue. Neither, the matter was resolved nor the payment along with markup was made to the said party despite a lapse of a considerable time. Thus, due to non-payment of Rs 365.806 million (Rs 261.290 million + Rs 104.516 million markup), the liability of the company had increased.

Audit is of the view that repayment of loans and markup should have been made within stipulated time.

The matter was reported to management and PAO on October 20, 2023. The management replied that Board of Directors decided to allocate 100 million from resources of company for said payment and remaining funds would be provided by Government of the Punjab. The reply was not convincing as management did not obtain funds from Government to repay the loan.

DAC in its meeting held on January 10, 2024 directed the management to make arrangement for early payment of this liability in order to avoid further accumulation.

Audit recommends compliance of DAC's directive.

Chapter-7

Local Government & Community Development Department

Introduction

The Local Government and Community Development Department (LG&CDD) has been assigned the responsibility to implement Punjab Local Government Act (PLGA) 2022 to achieve the stated objectives of the Government. Moreover, the LG&CD Department has an over-seeing role to ensure that the local governments perform their functions within the provincial framework and adhere to the federal and provincial laws. The Local Government and Community Development Department (LG&CDD) was created to respond to the specific needs of the mega cities and largely urban districts of Punjab for good governance.

LG&CDD is working with a mission to assist and guide local governments in creating an environment for autonomous and responsible decision-making. This will improve service delivery in the social sectors and boost socio-economic development of the local area.

Aims & Objectives

The major functions and responsibilities of Local Government & Community Development Department are:

- Provide, manage, operate, maintain and improve the municipal infrastructure and services
- Manage properties and assets vested in local governments
- Enforcement of municipal laws and regulations
- Levy local taxes/fees to generate income
- Frame bye-laws to regulate municipal services
- Take cognizance of municipal offences and enforcement
- Exercise general powers and procedures as are enumerated in Eighth Schedule
- Perform functions within the provincial framework

Governing Laws

- Governing Laws
- Rules
- Policies
- Model Bye-Laws

Attached Departments

- Punjab Local Government Board
- The Walled City of Lahore Authority
- Punjab Municipal Development Fund Company
- Solid Waste Management Companies
- Cattle Market Management Companies
- Punjab Shehr-e-Khamoshan Authority
- Faisalabad Parking Company

(Rs in million)

Sr. No	Description	Total Nos	Audited	Expenditure audited FY 2022-23 (Rs)	Revenue/Receipt audited FY 2022-23 (Rs)
1	Formations	04	02	328.41	368.01
2	Authorities/Autonomous Bodies etc. under the PAO	-	-	-	-
3	Foreign Aided Projects (FAP)	-	-	-	-

Classified Summary of Audited Observations

Audit observations amounting to Rs 1,416.527 million were raised as a result of this audit. This amount also includes recoverable of Rs 205.399 million as pointed out by the audit Summary of the audit observations classified by nature is as under:

(Rs in million)

Sr. No	Classification	Amount (Rs)
1.	Non-Production of record	-
2.	Reported cases of fraud/Embezzlement and Misappropriation	-
3.	Irregularities	
a.	HR/employees related irregularities	80.590
b.	Procurement related irregularities	4.932
c.	Management of Accounts with Commercial Banks	360.899
4.	Value for money and service delivery issues	205.399
5.	Other	764.707

7.1 Punjab Municipal Development Fund Company (PMDFC)

7.1.1 Introduction

Punjab Municipal Development Fund Company (PMDFC) is a limited guarantee Company having no share capital which was incorporated on October 8, 1998 under section 42 of the Companies Ordinance 1984 (now Companies Act 2017) vide license No. CO 42/JR/3198 dated September 30, 1998 granted by the Securities and Exchange Commission of Pakistan. PMDFC is a non-profit organization jointly funded by the Government of the Punjab and International Bank for Reconstruction and Development (IBRD). The principal objective of the company is to support the Local Government of the Punjab in improving the quality of life of the inhabitants, to assist the Local Governments in building capacities for better fiscal and service delivery management, to provide matching grants to Local Governments for the construction, rehabilitation, and expansion of infrastructure, capacity building and for such purpose to act and/or provide consultants for evaluation of projects, monitoring of finances and advising Local Governments for their institution reforms including improving the fiscal efficiency, cost recovery, rationalization of spending, administrative reforms and future growth.

7.1.2 Comments on Audited Accounts

The company failed to provide annual audited accounts for the year 2022-23 by December 31, 2023.

7.1.3 Compliance of PAC Directives

No PAC meeting has been convened upto December 31, 2023.

7.1.4 Audit Paras

7.1.4.1 Irregular appointments of the officers and payment – Rs 62.406 million

The terms and conditions mentioned in PC-I and HR Manual of the company are binding upon the management. The management made certain appointments in violation of the above. The detail is given in the table.

During audit of Punjab Municipal Development Fund Company (PMDFC) for the years 2017-23, it was observed that management appointed the officers against the rules as detailed below:

(Rs in million)			
S#	Rules	Irregularity	Financial Impact (Rs)
1	According to HR Manual of PMDFC and Annex 07 of PC-I of PCP Project, maximum age required is 50 and 55 years for the post of GM(ID) and SPO(IS) respectively.	Mr. Mahmood Masud Tammana having age of 59 years was appointed as GM(ID)/SPO (IS) in September 2023 in violation of the age criteria mentioned in HR Manual as well as PC-I.	5.429
2	According to Annex 07 at S# 12 of PC-I of PCP Project maximum age limit was of 63 years for the post of SPO(Infrastructure).	Mr. Muhammad Ashiq Ch. was inducted in PCP project as Senior Program Officer (Infrastructure Development) at the age of 80 years in 2019.	24.901
3	According to Annex-02-IPF-Cost Detail (P-74 to 76) of approved PC-I of the PCP, descriptions of slots/designations of Central Management Team.	The management appointed 08 officers against post title as (i) Senior Program Officer (E&SM), (ii) Deputy Program Officer(E&S), (iii) Program Officer (ID), (iv) Deputy Program Officer (ID) and (v) Deputy Program Officer (IT) which were not included in approved PC-I of the PCP during the period from April 2020 to August 2023.	31.571
4	According to judgment of supreme court of Pakistan dated January 19, 1993 in Human Rights Case No.104 of 1992,	Mr. Noman Ijaz was appointed as Accounts Officer on November 13, 2001 without advertising the vacancy in print media.	0.505

	recruitments, both Adhoc and regular, without publicly and properly advertising the vacancies, is violation of fundamental rights.		
	Total		62.406

Due to weak internal controls, the management appointed these officers against the rules.

Audit is of the view that the management should observe the rules during their appointments.

The matter was reported to the management and PAO on December 04, 2023. The management replied that officers were appointed/hired as per prevailing rules and regulations. The reply was not convincing as the officers were appointed/hired in violation of certain rules and regulations as mentioned above.

DAC in its meeting held on January 22, 2024 directed the management to get the PC-I revised from PDWP in order to bring the appointment in line with provisioning of PC-I for irregularities at Sr. # 1 to 3. While for Sr. # 4, DAC directed the management to get the case of appointment regularized from Finance Department.

Audit recommends compliance of DAC's directives.

(DP Nos: 533,535,543,544)

7.1.4.2 Irregular payment of salaries and allowances to the employees - Rs 18.184 million

According to Finance Department letter dated August 20, 2018, the cases for increase in salaries & allowances of autonomous bodies mentioned in First Schedule of Punjab Government Rules of Business 2011 may be sent to Finance Department for advice. Further, Annex-2 of PC-I determined the range of salary for the employees.

During audit of PMDFC for the years 2017-23, it was observed that management increased salaries and allowances of its employees against the rules. The detail is as under:

(Rs in million)

Sr. No	Rules	Irregularity	Financial Impact (Rs)
1	According to Finance Department letter dated August 20, 2018, the cases for increase in salaries & allowances of autonomous bodies mentioned in First Schedule of Punjab Government Rules of Business 2011 may be sent to Finance Department for advice.	The company falls at Serial No 27 of Rules of Business 2011 GoPb so the management was required to refer the matter of increase in salary w.e.f. December 01, 2022 to Finance Department for advice but needful was not done.	11.609
2	According to Annex-II PC-I of Punjab Cities Program, the pay of the Project Director was fixed from Rs 450,000 to 500,000 with 10% annual increase upto 05 years.	Syed Zahid Aziz was appointed as Project Director at monthly salary of Rs 800,000 to 1,137,500 P.M during the period 11.11.2022 to 30.09.2023.	6.575
Total			18.184

Due to weak internal controls, the management paid salary against the rules.

Audit is of the view that the management should observe the rules prior payments of salaries and allowances to the employees.

The matter was reported to the management and PAO on December 04, 2023. The management replied that the salaries and allowances were given to the employees after approval of the Board of Directors being a competent forum. The reply was not convincing as the management must be given the salaries and allowances as per instructions of Finance Department and provisions given in the PC-I.

DAC in its meeting held on January 22, 2024 directed the management to revise the PC-I from PDWP and refer the case to Finance Department for advice.

Audit recommends compliance of DAC's directives.

(DP Nos: 529,530)

7.1.4.3 Irregular withdrawal of funds from Assan Assignment Account and transfer to Company's operational bank accounts - Rs 341.554 million

According to clause-XV of Assan Assignment Account Procedure issued by Controller General of Accounts vide circular dated October 26, 2020, cash withdrawal or transfer of funds to any bank account is not allowed except employees related deductions like pension contribution, provident fund and GP fund etc. These deductions shall be made as per rules/policy guidelines/procedure of the relevant offices. Payment shall be made only through crossed cheques to contractors, vendors, suppliers, employees, etc.

During audit of PMDFC for the years 2017-23, it was observed that management operated Assan Assignment Account in National Bank of Pakistan, Main Branch, Lahore with title as "Punjab City Program-Local Government & Community Development Department". The management was required to operate this account according to the above referred laid down procedures. However, the management withdrew funds of Rs 341.554 million from assignment account to its company's bank account.

Due to weak financial controls, management withdrew amount against the procedure mentioned above.

Audit is of the view that the management must have followed the laid down procedure in letter and spirit.

The matter was reported to the management and PAO on December 04, 2023. The management replied that it is practically impossible to issue separate cheques of salaries for approximately 150 employees whereas cheque books of assignment account contained 100 leaves. The reply was not convincing because cash withdrawal or transfer of funds to any bank account is not allowed as per above criteria.

DAC in its meeting held on January 22, 2024 directed the management to stop transfer of funds in company's bank account immediately and get the previous withdrawal of funds regularized from Finance Department.

Audit recommends compliance of DAC's directives.

7.1.4.4 Un-justified expenditure of company's vehicles charged to PCP accounts - Rs 15.603 million

According to Annex- 2 – regarding Investment Project Finance of PC-I of PCP, 02 Nos. Hiace Wagon, 01 No. of 1300cc Vehicle and 03 Nos. of 1000cc vehicles were approved.

During audit of PMDFC for the years 2017-2023, it was observed that the management incurred an expenditure of Rs 15.603 million on seven vehicles which were purchased by the company for its own operation. The expenditures of the said vehicles were required to be charged to Company's account instead PCP project. The vehicle wise expenditure is in **Annex-12**.

Due to weak financial controls of the management expenditure of PMDFC vehicles were charged to the PCP project.

Audit is of the view that the expenditure incurred on vehicles which were not the project vehicles was not justified and they should be charged to the Company's Accounts which was not done.

The matter was reported to the management and PAO on December 04, 2023. The management replied that PC-I had allocated provision for usage of existing vehicles of PMDFC for PCP. The reply was not convincing as only two vehicles of PMDFC were to be utilized for PCP, whereas the cost of POL and maintenance of seven vehicles was charged to PCP.

DAC in its meeting held on January 22, 2024 directed the management to get approval from the BoD for utilization of existing two vehicles of PMDFC for PCP and to get the excess expenditures for other vehicles regularized from Finance Department.

Audit recommends compliance of DAC's directives.

7.1.4.5 Poor performance of management in execution of project

According to Project Appraisal Documents of Punjab City Program dated May 04, 2018. The implementation program was from July 01, 2018 to March 31, 2023 (05 Years) with program financing of \$ 236 million.

During Audit of PMDFC for the years 2017-23, it was observed that the Government of the Punjab took a loan of 200 million US Dollar equal to Pakistan Rs 30,580 million from the World Bank for Punjab cities Program. The management of the company failed to execute the work of this project. The project was to be completed within 5 years upto March 31, 2023 whereas the management could utilize the funds up-to 20% in window-1 and 65% in window-2 due to which the company had to pay markup & services charges of Rs 1,055.140 million to World Bank on excess withdrawal of funds upto June 30, 2023. The detail regarding receipt and utilization of funds is as under:

(Rs in million)

Windows	Financial Years	Amount Received (Rs)	Utilized amount(Rs)	%age of Spent	%age of unspent
MCs-PBGs (Window-1)	2019-23	22,850.97	4,522.87	20%	80%
PMDFC-IPF (Window-2)		1,904.95	1,239.2	65%	35%

Due to weak internal controls the management failed to carry out the work of this project efficiently and effectively.

Audit is of the view that the management was required to carry out the work as per approved PC-I.

The matter was reported to the management and PAO on December 04, 2023. The management replied that PC-1 was forwarded in May 2018 and approved on November 18, 2019. It took one and a half years for approval and keeping in view the facts, World Bank granted the extension of time till March, 2025. The reply was not convincing as the management could not complete the project within approved time frame.

DAC in its meeting held on January 22, 2024, directed the management to provide the overall updated progress of the program with respect to the time management and utilization of resources along with inquiry report to audit. The management did not provide record pertaining to progress of the project and inquiry report till finalization of this report.

Audit recommends compliance of DAC's directives.

7.1.4.6 Non-utilization of funds allocated for Institutional Strengthening & Technical Assistance - Rs 402.290 million

According to approved budget 2021-22 and 2022-23, an amount of Rs 458.165 million was allocated under the head Institutional Strengthening & Technical Assistance (IS&TA).

During audit of PMDFC for the years 2017-23, it was observed from the record that sufficient funds were available as per budget estimates of PCP for the years 2021-22 and 2022-23. The management has allocated Rs 458.165 million in annual budget for the years 2021-22 and 2022-23 but only utilized Rs 55.875 million i.e. 12.20% of total budget till June 30, 2023. The details is as under:

(Rs in million)

S#	Financial Year	Activities	Funds Available (Rs)	Budget (Rs)	Actual Exp. (Rs)	Un-utilized Amount (Rs)
1	2	3	4	5	6	7 (5-6)
01.	2021-22	IS & TA of Provincial Dept. and Agencies	689.862	86.204	14.140	72.064
02.	2022-23		1,255.952	371.961	41.735	330.226
		Total	1,949.814	458.165	55.875	402.290

Source Budget for the year 2023-24 and 2022-23

Due to weak administrative controls management could not perform the activities as planned and Rs 402.290 million remains unspent/unutilized.

Audit is of the view that the non-utilization/blockage of funds was also the reason of delay in completion of the project.

The matter was reported to the management and PAO on December 04, 2023. The management replied that PC-I for Technical Assistance and Institutional Strengthening was approved by PDWP on November 15, 2022 and Administrative Approval was accorded on December 05, 2022. The scope and cost was revised and funds were being utilized accordingly. The reply was not convincing as the management had incurred only meager amount of Rs 55.875 million of funds upto June 30, 2023.

DAC in its meeting held on January 22, 2024 directed the management that the component wise progress of the IS & TA program along with its updated

utilization be intimated to Audit for verification. The management did not provide record for verification to audit till finalization of this report.

Audit recommends compliance of DAC's directives.

7.1.4.7 Excess cost incurred for supervision of Municipal Committees from the approved cost of PC-I - Rs 320.896 million

According to Annex 2-IPF-cost-detail under the sub-head (3) of PC-I, consultancy for design and resident supervision of P for R of Technical Assistance & Institutional Strengthening (TA&IS) of MCs an amount of Rs 793.51 was approved.

During audit of PMDFC for the years 2017-23, it was observed that management hired four consultancy firms for detailed design and supervision of 16 MCs for implementation of Punjab City Program amounting to Rs 1,114.406 million. The approved cost for consultancy was Rs 793.51 million in PC-I. Thus, the project incurred extra cost of Rs 320.896 million as worked out below:

(Rs in million)			
Head of accounts	Approved as per PC-I (Rs)	Contract Cost of 05 Packages (Rs)	Excess Cost of Contracts (Rs)
1	2	3	4 (3-2)
Consultancies for design and resident supervision of P for R projects.	793.531	1,114.406	320.896

Due to weak administrative controls, the management failed to execute the work within the approved cost of PC-I.

Audit is of the view that signing of contract over and above the approved cost of revised PC-I of PCP will increase the financial burden on the PCP-Project.

The matter was reported to the management and PAO on December 04, 2023. The management replied that variation of cost will be regularized upon the revision of PC-I of PCP. The management has accepted the point of view of Audit.

DAC in its meeting held on January 22, 2024 directed the management to revise the cost of consultancy in PC-I of PCP and get it approved from PDWP.

Audit recommends compliance of DAC's directives.

7.2 Faisalabad Parking Company (FPC) Limited

7.2.1 Introduction

Faisalabad Parking Company Limited was registered under section 32 of the Companies' Ordinance, 1984(now Companies Act, 2017). City District Government Faisalabad (CDGF) established an incorporate Public Company Limited to provide sustainable, efficient and affordable parking services for the citizens of Faisalabad. A limb of CDGF and a profit oriented public company limited by shares. As per agreement signed on December 19, 2014 the 1st Party (CDGF & TMAs) will get 75% share and 2nd Party (FPC) will get 25% share as service charges. The tenure of the agreement is 25 years unless terminated by the BoD. If the parties are unable to decide a dispute within 3 months, the dispute shall be finally settled by the Secretary LG&CD, Punjab.

7.2.2 Comments on Audited Accounts

The company failed to provide annual audited accounts for the years 2017-18 to 2022-23 by December 31, 2023.

7.2.3 Compliance of PAC Directives

No PAC was convened since establishment of the company.

7.2.4 Audit Paras

7.2.4.1 Irregular award of contract for printing of parking tickets - Rs 3.723 million

According to clause 3.4 of Tender Documents for printing of parking tickets, bidder must be registered and active tax payer with sales tax & income tax department, copy of the same should be attached with the tender, otherwise firm will not be allowed to participate in the tender.

During audit of Faisalabad Parking Company (FPC) for the years 2018-23, it was observed that management invited bids for printing of parking tickets during the year 2019-20, 2021-22 & 2022-23. It was noticed that M/s Anwar Traders (2019-20) & M/s Shani Enterprises (2021-22 & 2022-23)

were qualified in technical evaluation and awarded the contract being lowest bidders, but the firms were not registered with Federal Board of Revenue (FBR). The management declared the firms as qualified and allowed to participate in the bidding process in violation of above rule and extended undue favour. The detail of payment is as under:

(Rs in million)	
Name of Firms	Payment made during 2019-20, 2021-22 & 2022-23 (Rs)
M/s Anwar Traders	1.192
M/s Shani Enterprises	2.531
Total	3.723

Due to weak internal controls and non-observance of clauses of tender documents, an irregular payment was made.

Audit is of the view that the management should have not allowed the firms to participate in bidding process which were not registered with FBR as required under the rules.

The matter was reported to the management and PAO on October 30, 2023. The management replied that contract was awarded to the lowest bidders and 10 marks for not providing GST was not given to the vendor, but even than they qualified and secured the minimum marks. The reply was not convincing as it was mandatory for the vendors to be registered with sales tax department.

DAC in its meeting held on December 12, 2023, directed the management to probe the matter through Administrative Department for fixing responsibility.

Audit recommends compliance of DAC's directives.

7.2.4.2 Irregular award of work in violation of PPRA Rules - Rs 1.209 million

According to rule 12(1) a procuring agency shall advertise procurement of more than [two] hundred thousand rupees and up to the limit of [three] million rupees on the website of the Authority in the manner and format specified by regulations but if deemed in public interest, the procuring agency may also advertise the procurement in at least one national daily newspaper.

During audit of FPC for the years 2018-23, it was observed that the management paid an amount of Rs 1.209 million to M/s Butt enterprises against the development work at Centre Point Plaza site. The scrutiny of record revealed that entire work was done by M/s Butt Enterprises on quotation basis by splitting the work. Detail is as under:

(Rs in million)			
Date	Voucher No	Description of Work	Amount (Rs)
10.01.2023	1-0004	Ceiling & Paneling of Cabins	0.155
13.01.2023	1-0008	Raising of cabins, rebuild of floor installation of roofs of 3 cabins	0.196
01.02.2023	0045	Old tyres erected on side walls	0.143
18.02.2023	2-0030	Fixing of kerb stone	0.195
28.02.2023	2-0052	Painting of 3 cabins, electric work etc.	0.181
19.05.2023	5-0034	Lane marking	0.164
27.06.2023	0018	Water disposal pump	0.174
Total			1.209

Due to weak internal controls an irregular payment of Rs 1.209 million was made.

Audit is of the view that management was required to account for the proposed development work for the financial year and float one tender without splitting the work to get competitive rates. However, the same was ignored.

The matter was reported to the management and PAO on October 30, 2023. The management replied that FPC published tenders multiple times on July 25, 2022, August 16, 2022 and October 01, 2022 at PPRA website for development work of Center Point Plaza but not a single firm / vendor submitted proposal till the last date. So, it was decided by the management that said development work may be done through quotations basis to avoid further delay. The reply was not convincing as PPRA Rules were violated.

DAC in its meeting held on December 12, 2023, directed the management to get the case regularized from Finance Department through Administrative Department.

Audit recommends compliance of DAC's directives.

7.2.4.3 Irregular retention of FPC funds in lesser interest bearing accounts - Rs 19.345 million

According to Finance Department letter dated January 11, 2019 markup rates offered by the BOP may be compared with all Public / Private banks having minimum long term “AA” at the time of placement of funds.

During audit of FPC for the years 2018-2023, it was observed that the management did not obtain the competitive markup rates from other banks and kept funds of Rs 23.860 million in current account and Rs 154.742 million in Islamic saving account maintained at BOP. This resulted into markup loss of Rs 19.345 million. Detail is as under:

(Rs in million)							
No of bank account	Type of bank account	Cumulative closing balance 2019-2023 (Rs)	Closing Balance June 30, 2023(Rs)	Closing Balance June 30, 2022(Rs)	Closing Balance June 30, 2021(Rs)	Closing Balance June 30, 2020(Rs)	Closing Balance June 30, 2019(Rs)
5010028797500018	Current Account	23.860	16.58	5.78	1.23	0.03	0.24
5010028797500015	Islamic Saving Account	21.158	4.60	4.36	4.224	4.097	3.88
5010028797500026	Islamic Saving Account	57.206	19.21	21.45	9.357	4.515	2.674
5010028797500037	Islamic Saving Account	76.378	22.24	21.00	13.665	8.268	11.205
Total		178.602	62.64	52.59	28.48	16.91	18.00
Average rate of interest received	-	-	4.50%	6.00%	6.53 %	7.04 %	5.62%
KIBOR	-	-	22%	14.5%	13.00%	12.50%	12.00%
Loss sustained		-	10.962	4.470	1.842	0.923	1.148
						Total loss	19.345

Due to weak financial management, the company sustained a loss of markup income.

Audit is of the view that the company should have obtained the profit rates from different banks but the same was not done which resulted into loss.

The matter was reported to the management and PAO on October 30, 2023. The management replied that FPC was not aware of the instructions of the

Finance Department dated January 11, 2019 and now efforts are made to place the company funds after obtaining competitive rates from the other AA rated banks. The reply is not convincing as the Finance Department instructions were very clear.

DAC in its meeting held on December 12, 2023, directed the management to invest the surplus funds in the bank offering highest mark-up rates after matching rates with the BoP. DAC further directed that the matter regarding loss of mark-up due to retention of funds at lesser rates shall be placed before the Board for fixing responsibility.

Audit recommends compliance of DAC's directives.

7.2.4.4 Non-payment of EOBI of field staff / daily wagers - Rs 12.945 million

Under section 9 of Employees Old Age Benefit Act, 1974 (EOBI), contribution shall be payable every month by the employer to the institution in respect of every person in his insurable employment, at the rate of 6% of his wages in the prescribed manner.

During audit of FPC for the years 2018-23, it was observed that on the average more than 200 daily paid workers were engaged by the company at their 40 sites for the collection of the parking fee, but the EOBI of only 26 to 32 workers were deposited. Thus, an amount of Rs 12.945 million was not / less deposited to EOBI authorities during the period from 2018-2023.

Due to weak internal controls, management failed to pay mandatory contributions to EOBI.

Audit is of the view that FPC failed to deposit required contribution to EOBI, which was against the rules.

The matter was reported to the management and PAO on October 30, 2023. The management replied that FPC got registered with EOBI in 2015 with 15 regular employees. Keeping in view the nature of work, company engaged its parking attendants on Daily Wage basis that's why the FPC could not register all

of their daily wage workers with EOBI. The reply was not convincing as FPC paid EOBI contribution of only 26-32 employees as against the staff of 200 to 250 employees.

DAC in its meeting held on December 12, 2023, directed the management to formulate a policy for registration of daily wages employees, and got all the employee registered at the earliest.

Audit recommends compliance of DAC's directives.

7.2.4.5 Non recovery of parking dues from PHA - Rs 5.509 million

As per clause 3.1 of the agreement executed between FPC and Parks and Horticulture Authority (PHA), all the operating expenses regarding parking management shall be incurred by FPC and PHA will pay an amount of Rs 215,000 to FPCL on monthly basis against the expense incurred by them.

During audit of FPC for the years 2018-23, it was observed that management could not recover parking dues from PHA since inception of the agreement February 01, 2018 till June 30, 2020. An amount of Rs 5.509 million was accumulated despite the fact that FPC had incurred considerable expenditures on the site for development, purchase of CCTV cameras and deployment of staff. The management of FPC extended the contract for another one year despite the fact that PHA was not paying its dues.

Due to weak financial and internal controls, FPC failed to realize their outstanding dues.

Audit is of the view that instead of pursuing the recovery of outstanding dues, management extended contract for another year.

The matter was reported to the management and PAO on October 30, 2023. The management replied that efforts were being made to recover the outstanding amount. The reply was not convincing as FPC failed to recover the outstanding amount from PHA since January, 2018.

DAC in its meeting held on December 12, 2023, directed the management to recover the amount from PHA without further delay.

Audit recommends compliance of DAC's directives.

7.2.4.6 Loss of revenue due to illegally operated sites by District Bar Association - Rs 12.973 million

According to clause 7.2.1 of the management and administration agreement of parking facilities in CDGF, Faisalabad Parking Company shall perform all the day to day management and administration of the Parking Facilities including collection of parking fee/ or fine, controlling and monitoring existing procedures, process, actions, activities, operations, schemes, plans, programs in respect of every CDGF/ TMAs property directly or indirectly related to parking zones, parking areas, parking bays.

During audit of FPC for the years 2018-23, it was observed that four (04) parking sites falling under the jurisdiction of the company were being run by private contractors under the shelter of District Bar Association (DBA) w.e.f September 2018 (02 sites) and March 2020 (02 sites). The company was collecting a handsome amount of Rs 12.973 million prior to the illegal occupation by District Bar Association.

Due to weak internal controls, management failed to take over possession of its sites.

Audit is of the view that the management should have made concrete efforts to resolve the issue but the same was not done. This showed weak managerial and internal controls.

The matter was reported to the management and PAO on October 30, 2023. The management replied that FPC is trying to recover the possession of the parking stands from DBA. Reply was not convincing as no efforts were made to take over the parking stands from the DBA.

DAC in its meeting held on December 12, 2023, directed the management to arrange a formal meeting with the DBA and place the matter before the Board of Directors for taking remedial action.

Audit recommends compliance of DAC's directives.

**7.2.4.7 Loss due to non-recovery of parking fee from the employees
- Rs 199.89 million**

According to clause 5 (a) of Corporate Governance Rules 2013 the principle of probity and propriety entails that company's assets and resources are not used for private advantage and due economy is exercised so as to reduce wastage.

During audit of FPC for the year 2018-23, it was observed that various complaints were received on Pakistan Citizens Portal regarding overcharging, hiding of parking fee and misconduct by the FPC operational staff. The allegations were proved in internal inquiry held by Revenue Department on December 23, 2021. Despite clear cut evidence of the overcharging, malpractices and revenue leakage neither any action was taken against the concerned officials. FPC has over forty parking sites which sustained annual loss of revenue to the tune of Rs 199.89 million as per details given below:

(Rs in million)

Year	Average number of sites	Average leakage per day (Rs)	Annual loss of revenue (Rs)
0	1	2	3 (1*2*365 days)
2018-2019	38	2,826	39.20
2019-2020	36	2,826	37.56
2020-2021	39	2,826	41.23
2021-2022	40	2,826	39.34
2022-2023	42	2,826	42.56
Total			199.89

Due to weak internal controls the company failed to stop the leakage of revenue and its subsequent recovery from the concerned employees.

The matter was reported to the management and PAO on October 30, 2023. The management replied that Department consistently monitored day-to-day parking activities to identify any irregularities and took swift action to rectify them. The reply was not convincing as no criminal action had been taken against the employees.

DAC in its meeting held on December 12, 2023 directed the management to terminate the services of Mr. Mubashir Nazir, Parking assistant with immediate effect. DAC further directed to probe the matter of overcharging at all sites through Administrative department and submit report within 30 days.

Audit recommends compliance of DAC's directives.

Chapter-8

Mines and Minerals Department

Introduction

Prior to 2002, Mines & Minerals Department was functioning in the Directorate of Industries & Mineral Development Department since 1964. The independent Department of Mines & Minerals was created in 2002 by the implementation of National Mineral Policy.

Purpose/ Objectives

It is to mention that National Mineral Policy 1995 acts as a guideline for formulating the present policies of the Provincial Department of Mines & Minerals. Mines & Minerals Department is responsible for:

Legislation, policy formulation and planning for:

- Grant, surveys, prospecting, exploration and development of mineral resources.
- Collection of rents, royalties and fees from the concessionaires.
- Rehabilitation of affected mining areas/sites, implementation, monitoring and control of environment standards, infrastructure development in mining areas.
- Collect, store and dissemination of mineral data, digitization of mineral/mining data.
- Mines and minerals development.
- Welfare of mine workers
- Marketing of minerals
- Safety of mines, oil and gas fields and their workers
- Training and skill development.
- Labour laws and rules for mine workers
- Governmental functions of:—
- Punjab Mineral Development Corporation.
- Mines Labour Welfare Organization.

- Punjab Mineral Company.
- Budget, accounts and audit matters
- Purchase of stores and capital goods for the department.
- Service matters except those entrusted to Services and General Administration Department.

Governing Laws

- Punjab Mining Concession Rules, 2002
- Coal Mines Pithead Bath Rules, 1946
- Coal Mines Regulations, 1926
- Consolidates Mines Rules, 1952
- Excise Duty on Minerals (Labour Welfare) Punjab Rules, 1971
- Metaliferous Mines Regulations, 1926
- Mines Creche Rules, 1946
- Mining Board Rules, 1951
- Punjab Coal Mines Rescue Rules, 1988
- The Punjab Miners Training Institutions Regulations, 1999
- The Punjab Mining Staff and Workers Training Regulations, 1999

Formations:

- Punjab Mineral Development Corporation
- Punjab Mineral Company (Private) Limited

Audit profile of Mines and Minerals Department

Sr. No	Description	Total Nos	Audited	(Rs in million)	
				Expenditure audited FY 2022-23 (Rs)	Revenue/Receipt audited FY 2022-23 (Rs)
1	Formations	01	-	-	-
2	Authorities/Autonomous Bodies etc. under the PAO	01	01	697.09	903.34
3	Foreign Aided Projects (FAP)				

Classified Summary of Audit Observations

Audit observations amounting to Rs 392.810 million were raised as a result of this audit. This amount also includes recoverable of Rs 12.620 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

Overview of the Audit Observations

(Rs in million)

Sr. No	Classification	Amount (Rs)
1.	Non-Production of record	-
2.	Reported cases of fraud/Embezzlement and Misappropriation	-
3.	Irregularities	
a.	HR/employees related irregularities	121.500
b.	Procurement related irregularities	25.072
c.	Management of Accounts with Commercial Banks	7.010
4.	Value for money and service delivery issues	23.576
5.	Other	215.652

8.1 Punjab Mineral Development Corporation (PUNJMIN)

8.1.1 Introduction

The Corporation was established under the Punjab Mineral Development Corporation Act, 1975 for the purpose of promoting mineral development in the province of the Punjab.

The main objectives of the corporation is to draw up schemes with the objects confined to the province of the Punjab, for development, surveying, exploring, mining, industrial exploration, purchase and sale, import and export of mineral and development of infrastructure in the areas selected by the corporation and approved by Government of the Punjab.

8.1.2 Comments on Audited Accounts

The management failed to provide annual audited accounts for the years 2018-19 to 2022-23 till December 31, 2023.

8.1.3 Compliance of PAC Directives:

Audit Report	Total Paras	Compliance received	Compliance not received	Percentage of compliance
1985-86	59	53	6	90%
1986-87	53	50	3	94%
1987-88	66	58	8	88%
1988-89	27	23	4	85%
1989-90 to 1993-94	313	313	0	100%
1994-95	57	56	1	98%
1995-96	40	38	2	95%
1996-97	21	17	4	81%
1997-98	40	35	5	88%
2006-07	8	8	0	100%
2009-10	10	5	5	50 %
2012-13	9	3	6	33 %
Total	703	659	44	94%

Although overall percentage of compliance of PAC directives was 94% but the compliance for the 2009-10 and 2012-13 was only 50% and 33%, which needs improvement.

8.1.4 Audit Paras

8.1.4.1 Irregular payment of bonus prior to finalization of accounts and determination of profit – Rs 27.871 million

According to PUNJMIN's BoD decision in its 38th meeting held on December 19, 1989 circulated vide office order dated June 24, 1990 bonus shall only be paid in case of profit.

During audit of Punjab Mineral Development Corporation (PUNJMIN) for the years 2020-22, it was observed that the management paid an amount of Rs 27.871 million to the employees as bonus prior to finalization of accounts and determination of profit, which was a pre requisite.

Due to weak internal controls the irregularity was occurred.

Audit is of the view that management should have given the bonus to the employees as per policy.

The matter was reported to the management and PAO on August 03, 2023. The management replied that the general direction and administration of the corporation and its affairs shall vest in the Board which may exercise all powers and do all acts which may be exercised or done by the corporation". The reply was not convincing as the bonus was admissible only after final determination of profits of the corporation.

DAC in its meeting held on December 28, 2023 directed the management to get the accounts finalized by external audit in order to determine actual profit of the organization and to recover the bonus amount from employees in case of determination of loss.

Audit recommends compliance of DAC's directives.

(DP Nos: 105,116,120)

8.1.4.2 Irregular cash withdrawal from bank by opening cross cheques - Rs 10.431 million

According to section-10 of Income Tax Ordinance 2017, all payments exceeding Rs 20,000 should be made / routed through banking channel in the shape of cross cheques.

During audit of PUNJMIN for the years 2020-22, it was observed that the management frequently opened cross cheques worth Rs 10.431 million and got them cashed by an employee named Mr. Khalil-ur-Rehman, in violation of the provisions of the Income Tax ordinance 2001, which was held irregular in audit.

Due to weak internal controls and non-adherence of provisions of the Income Tax Ordinance 2001, payment of Rs 10.431 million was held irregular.

Audit is of the view that the management violated the provisions of the Income Tax Ordinance.

The matter was reported to the management and PAO on August 03, 2023. The management replied that Mr. Khalil Ur Rehman, Office Assistant was authorized to deal with all matters of banks for smooth operations of the corporation. The reply was not convincing as cheques were opened as a matter of routine against the rules and provisions of the Ordinance.

DAC in its meeting held on December 28, 2023 directed that a detailed probe into the matter shall be conducted by administrative department within 30 days to determine facts and fix responsibility against the person (s) responsible.

Audit recommends compliance of DAC's directives.

8.1.4.3 Irregular appointment in non-transparent manner - Rs 30.240 million

As per judgment of Supreme Court of Pakistan dated January 19, 1993 in human right case # 104 of 1992, recruitment, both adhoc and regular, without publicly and properly advertising the vacancies is violation of fundamental rules. As such no post could be filled in without proper advertisement, even on adhoc or contract basis.

During audit of PUNJMIN for the years 2020-22, it was observed that the management appointed 63 employees ranging from BPS 1 to BPS 15 without advertisement of the post in violation of the Supreme Court instructions as mentioned above. The detail is given below:

(Rs in million)

S.No	Place of duty	No of employees	Date of appointment	Approx. Pay & Allowance (2021-22) (Rs)
1	Head office	3	May 2022	1.440
2	Khewara project	14	2006-2017	6.720
3	Mainwala Project	06	2017-2022	2.88
4	Khushab project	27	2015-2022	12.960
5	Daindot project	02	2013-2016	0.960
6	Quaidabad Project	11	2015-2022	5.280
		63		30.240

Due to weak internal controls, the violation was occurred.

Audit is of the view that the action of the management for hiring employees by ignoring the orders of the supreme court was held irregular.

The matter was reported to the management and PAO on May 29, 2023. The management replied that all the contingent paid staff was hired for directly needed posts within the budgetary provision. The reply was not convincing as the employees were hired in non-transparent manner.

DAC in its meeting held on December 28, 2023 directed the management to get the matter regularized from Finance Department and adopt transparent procedure for hiring in future.

Audit recommends compliance of DAC's directives.

8.1.4.4 Unjustified/irregular payment of special increments to selected employees with retrospective effect - Rs 48.889 million

According to Finance Department letter dated August 20, 2018, "the cases for post creation & up-gradation, increase in salaries & allowances, recruitment criteria, or any other matter having financial implications may be sent to Finance Department for advice by all the autonomous bodies".

During audit of PUNJMIN for the year 2020-22 , it was observed that management granted special increments to selected employees retrospectively without seeking prior currency from Finance Department as per the instructions cited above. Further, in the absence of any performance indicators for the extra ordinary performance, the payment of special increment was not justified. The special / additional increments were allowed to the staff of the project which were running in continuous loss due to low production. The detail is given as under:

(Rs in million)

S.No	Year	Number of Additional Increments granted	Recurring Financial impact of Additional Increments (Rs)
1.	2017 to 2021	-	9.585
1.	2020-2021	Two	4.470
2.	2021-2022	Two	13.997
3.	2022-2023 July to Dec. 2023	Two	20.837
Total			48.889

Due to weak financial controls, unjustified payments were made.

Audit is of the view that payment of additional increments without gauging extra ordinary performance and without concurrence of Finance Department was not justified.

The matter was reported to the management and PAO on May 29, 2023. The management replied that Ex-Managing Director, granted special increments to PUNJMIN employees on the basis of his personal evaluation. The reply was not convincing as the financial benefits were given without the concurrence of Finance Department.

DAC in its meeting held on December 28, 2023 directed the management to get the expenditure regularize from Finance Department and to produce evidence for extra ordinary services rendered by the officers.

Audit recommends compliance of DAC's directives.

(DP Nos: 113,136)

8.1.4.5 Irregular payment of monetization allowance to Managing Director - Rs 2.781 million

As per Finance Department letter dated December 13, 2016, the officer was entitled for company owned and maintained vehicle or payment of monetization allowance in lieu of provision of official vehicle

During audit of PUNJMIN for the years 2020-22, it was observed that Mr. Shahzad Rafi Managing Director took the charge on May 26, 2017. While examining the payroll, it was observed that during the period from August 01, 2020 to December 31, 2022 the officer enjoyed both the facilities i.e. retention of two vehicles of corporation as well as monetization allowance for his official and private use. The officer received monetization allowance of Rs 2.781 million (Rs 95,910 x 29 months).

Due to weak internal controls, the officer received monetization allowance against the rules.

Audit is of the view that as per Finance Department instructions, the officer was not entitled to get monetization allowance because he was using official vehicles.

The matter was reported to the management and PAO on May 29, 2023. The management admitted the contention of audit and agreed that the officer was not entitled for monetization allowance. Hence, the over payment needs to be recovered.

DAC in its meeting held on December 28, 2023 directed the management to recover the monetization allowance from Ex- Managing Director at the earliest and get it verified from audit.

Audit recommends compliance of DAC's directives.

8.1.4.6 Irregular payment to M.D on revision of pay without the approval of the Finance Department – Rs 1.288 million

According to Finance Department letter dated August 20, 2018, "the cases for post creation & up-gradation, increase in salaries & allowances, recruitment

criteria, or any other matter having financial implications may be sent to Finance Department for advice by all the autonomous bodies”.

During audit of PUNJMIN for the years 2020-22, it was observed that Mr. Shahzad Rafi was appointed as Managing Director in PUNJMIN on May 26, 2017 in MP-I scale for a period of three years as approved by Finance Department. The basic pay was fixed for Rs 289,300 per month. However, Government of the Punjab in 2022 revised pay scales of the Government employees. The management without taking advise from Finance Department increased the Basic pay of the officer by Rs 257,681 (i.e. 48% of the existing basic pay) w.e.f July 01, 2022. The management took up the matter with the Finance Department on October 10, 2022 for clarification. The clarification from the Finance Department are still awaited till close of the audit. Thus, an amount of Rs 1,288,405 was paid to the officer during the period from July 01, 2022 to November 28, 2023 without the approval of the Finance Department. Detail is as under:

(Rs in million)			
Period of increase	Monthly increase in Basic pay	Monthly increase (Rs)	Total over payment (Rs)
1-07-2022 to 28-11-2023	48%	0.258	1.288

Due to non-weak internal controls, an irregular payment was made to the officer.

Audit is of the view that due to non-consultation with Finance Department resulted into irregular payment made to the officer.

The matter was reported to the management in August 03, 2023. The management replied that government did not issue revised MP-I pay package. The pay package was to be revised by Selection Board of the Government, but the pay was revised on the directions of Ex-MD. The reply was not convincing as the increase was allowed by Ex. M.D himself without the approval of the Finance Department.

DAC in its meeting held on December 28, 2023 directed the management to refer the case to Finance Department for advice/clarification regarding revision of MP scales and to recover the undue payment in case of adverse advice from Finance Department.

Audit recommends compliance of DAC's directives.

8.1.4.7 Irregular payment of the cost of increased price of explosive against the provisions of the contract - Rs 15.202 million

According to clause-16 of raising and lifting contract of salt with raising contractor, salt mining the explosive material i.e. gun powder used for exploration in excavation by the contractor with his own resources, but if contractor wants PUNJMIN provide explosive material to contractor and will adjust actual cost of explosive from the contractor's bill. Any increase in the cost of explosive is the sole responsibility of the contractor.

During audit of PUNJMIN, Project office Khewara, for the years 2020-22, it was observed that the cost of explosive increased from Rs 125 per Kgs to Rs 345 per Kgs. The increase in cost was to be borne by the contractor but the same was paid by the PUNJMIN and booked the same as subsidy to contractor in its books of accounts. As a result an amount of Rs 15.202 million was paid irregularly in contravention of the above provision of contract.

Due to weak contract management, irregular payment was made.

Audit is of the view that there was no provision of subsidy in the contract and the favour given to the contractor was held irregular.

The matter was reported to the management and PAO on August 03, 2023. The management replied that explosive material was purchased by PUNJMIN and supplied to the Raising Contractor for excavation of Rock Salt. The cost of explosive was charged from bills of Raising Contractor. PUNJMIN was supplying the explosive material to raising contractors @ Rs 125/- per KG. The reply was not convincing as according to clause 16 of the raising & lifting contract any increase in the cost of explosive is the sole responsibility of the contractor.

DAC in its meeting held on December 28, 2023 directed the management to place the matter before Board of Directors for approval/regularization of previous payment and to follow the agreement clause in future.

Audit recommends compliance of DAC's directives.

8.1.4.8 Non transparent purchase of explosive from unauthorized supplier - Rs 9.870 million

According to rule 12 of the Public Procurement Rules, a procuring agency shall advertise procurement of more than two hundred thousand rupees and up to the limit of three million rupees on the website of the Authority in the manner and format specified by regulations but if deemed in public interest, the procuring agency may also advertise the procurement in at least one national daily newspaper.

During audit of PUNJMIN Khushab project for the years 2020-22, it was observed that the management frequently purchased explosives from unregistered suppliers M/s Shah Bohot Mining Services and M/s Zaghham Abbas without advertisement, which resulted into non transparent purchase of Rs 9.870 million.

Due to weak internal controls the irregularity was occurred.

Audit is of the view that the management failed to advertise the procurement to get the benefit of competitive rates.

The matter was reported to the management and PAO on August 03, 2023. The management replied that M/s Shah Bohot Mining Services is not registered in sales tax as well as income tax and it provided the explosive on condition that PUNJMIN will not deduct income tax and also that it will not deposit the sale tax in account of PUNJMIN. The reply was not convincing as explosives were purchased in a non-transparent manner and neither income tax nor GST was deducted from the supplier.

DAC in its meeting held on December 28, 2023 directed the management to place the matter before Board of Directors for ex-post facto approval of previous purchase and to follow rules in future.

Audit recommends compliance of DAC's directives.

8.1.4.9 Loss due to wastage of old stock of coal - Rs 13.284 million

According to clause 3 & 4 of lifting contract, the contractor is bound to lift the coal according to the given weekly schedule and in case of failure the contractor is bound to deposit the amount of remaining / uplifted quantity and lift the quantity within three days. In case of non-lifting his security will be forfeited and contract terminated.

During audit of PUNJMIN for the years 2020-22, it was observed that a quantity of 800 M.Ton of coal stock valuing Rs 7.20 million was lying unsold since 2014 at Khushab project which decayed over the period and became unsellable. In Dandot project, a quantity of 703 M.Ton of coal valuing Rs 6.084 million caught fire as the contractor failed to lift the extracted quantity within three days. The stock at both sites got wasted because the contractors failed to lift the coal stock timely.

Due to weak operational controls, a huge quantity of coal was lying unsold.

Audit is of the view that due to non-lifting of coal stock and inordinate delay, organization sustained loss of Rs 13.284 million.

The matter was reported to the management and PAO on August 03, 2023. The management replied that coal being produced from Padhrar coal project was genetically of inferior quality. After excavation and dumping at stock yard its quality further deteriorates day by day due to environmental behavior like rains, sunlight, heat etc. The reply was not convincing as the management was required to sell the stock well in time to avoid quality deterioration.

DAC in its meeting held on December 28, 2023 directed the management to hold technical probe under administrative department, to determine the facts about delay and decay losses and to fix responsibility against the person (s) responsible within 30 days.

Audit recommends compliance of DAC's directives.

(DP Nos: 114,124)

8.1.4.10 Loss due to inaccurate measurement of Salt - Rs 10.292 million

As per rule 2.10 (a) (i) of Punjab Financial Rules, same vigilance should be exercised in respect of expenditure incurred from government revenues as a person of ordinary prudence would exercise in respect of the expenditure from his own money.

During audit of PUNJMIN Khewara Project for the years 2020-22, it was observed that management was using faulty weigh bridge having an error percentage of 2.31% less measurement. This fact was evident from the invoices of M/s ICI Khewara and M/s Sitara Chemical. During the audit period, a quantity of 277,769 M.Tone edible salt was sold in the open market by measuring inaccurate weigh scale. Audit has assessed that a quantity of 6,417 M.ton (277,769 x 2.31%) valuing Rs 10.292 million was lifted by the buyers without paying any price due to less measurement by the faulty weigh bridge.

Due to weak internal controls the irregularity was occurred.

Audit is of the view that due to negligence on the part of management, the Corporation sustained a loss.

The matter was reported to the management and PAO on August 03, 2023. The management replied that PUNJMIN received the payment of Rock Salt at the weighment statement generated by the weighbridges of chemical industries. PUNJMIN reconciled the weights of its own weighbridges with the weighbridges of other chemical industries. The reply was not tenable as the salt was sold in the open market at a quantity less than actual.

DAC in its meeting held on December 28, 2023 directed that a detailed probe into the matter shall be conducted by administrative department within 30 days to determine facts and fix responsibility against the person (s) responsible

Audit recommends compliance of DAC's directives.

8.1.4.11 Loss due to non-recovery from excavation contractors - Rs 10.044 million

According to rule 2.10 (a) (i) of Punjab Financial Rules, same vigilance should be exercised in respect of expenditure incurred from government revenues

as a person of ordinary prudence would exercise in respect of the expenditure from his own money.

During audit of PUNJMIN for the years 2020-22, it was observed that the management of Khushab failed to recover outstanding dues from the contractors on account of use of electricity and other allied facilities from running bills. An amount of Rs 10.044 million was receivables. Details is as under:

(Rs in million)			
S.No	Name of contractor	Amount outstanding (Rs)	Outstanding since
1.	M/s Pir Stone	5.110	2020-2021
2.	M/s M S D	0.519	2020-2021
3.	M/s Javed Iqbal PCP 4	1.900	2020-2021
4.	M/s MKSA Enterprises	2.515	2020-2021
Total		10.044	

Due to weak internal controls and loose financial managements the project sustained a loss.

The matter was reported to the management and PAO on August 03, 2023. The management replied that recovery from the contractors are in process. The reply was not convincing as considerable time lapsed but no recovery was made.

DAC in its meeting held on December 28, 2023 directed the management to recover the amount at the earliest and get it verified from Audit.

Audit recommends compliance of DAC's directives.

8.1.4.12 Irregular sale of Burxite to M/s MKSA enterprises without agreement - Rs 9.850 million

According to rule-2.33 of Public Financial Rules Volume-I, every Government servant should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part, and that he will also be held personally responsible for any loss, arising from fraud or negligence.

During audit of PUNJMIN Khushab Project for the years 2020-22, it was observed that the project management sold Burxite to M/s MKSA enterprises in non-transparent manner without any agreement. The Project Manager himself fixed the rate of Rs 750, 600 and 150 per M. Ton. Thus, the sale of Burxite of Rs 9.850 million was made in a selective manner.

Due to weak internal controls and loose financial management, the stock was sold in an irregular manner.

Audit is of the view that management granted undue favour to vendor by awarding contract without advertisement.

The matter was reported to the management and PAO in August 03, 2023. The management replied that the quality of our bauxite is very low and its seam is genetically irregular and available in small pockets. Therefore, no major/local party is ready to purchase bauxite. The reply was not convincing as the stocks were sold in a non-transparent manner.

DAC in its meeting held on December 28, 2023 directed the management to place the matter before Board of Directors for ex-post facto approval of previous practice and to adopt tender process in future.

Audit recommends compliance of DAC's directives.

8.1.4.13 Non recovery on account of supply of Gypsum - Rs 2.576 million

According to clause of clause-XI of sale agreement, the payment shall be made within 30 days from the date of delivery of the goods.

During audit of PUNJMIN Khushab project for the years 2020-22, it was observed that an amount of Rs 2.576 million was recoverable from different Cement Companies on account of supply of Gypsum since 2018-2019. Detail is as under:

(Rs in million)

S.No	Name of Parties	As on June 30,2022 (Rs)	Outstanding since
1	M/s Askari Cement	0.339	2018-2019
2	M/s Javadia Cement	0.327	2018-2019
3	M/s Gharibawal Cement	0.241	2018-2019
4	M/s Ravi Glass legal case	1.109	2018-2019
5	M/s Ideal Enterprises	0.560	2018-2019
	Total	2.576	

Due to weak financial controls, management failed to recover their old outstanding dues since long.

The matter was reported to the management and PAO on August 03, 2023. The management replied that efforts were being made to recover the outstanding amount. The reply was not convincing as the management failed to recover the old outstanding amount since long.

DAC in its meeting held on December 28, 2023 directed the management to recover the amount at the earliest and get it verified from Audit.

Audit recommends compliance of DAC's directives.

8.1.4.14 Shortage of stores, spares and loose tools – Rs 29.685 million

Auditor-General of Pakistan vide letter dated August 19, 2016 issued instructions to all field offices to ensure proper maintenance of assets record during audit process of each entity.

During audit of PUNJMIN for the years 2020-22, it was observed that management did not conduct annual physical verification of Stores, Spares and fixed assets on annual basis to ensure the physical existence of corporation assets. The external auditors since 2014-2015 repeatedly pointed out the deficiency and qualified their report. However, in February, 2021 the management engaged M/s Sheikh & Chaudhri Chartered Accountant for physical verification of PUNJMIN fixed assets, stock, spares and stores as appearing in the books of account as on June 30, 2020. The firm submitted its report on February 09, 2022 and pointed out following shortages as per detailed given below:

(Rs in million)				
S.No	Name of Project	Description	Location	Amount of Spare & stores not available at site (Rs)
1.	Head Office and its allied projects	Stock, stores & spares	H.O and projects	24.962
2.	Khushab project	Stores & Spares	Khushab	1.067
3.	Padhara project	Stores & Spares	Padhara	1.060
4.	Dondot Coal Project	Fixed assets	Padhara	2.596
	Total			29.685

Due to weak internal controls, management failed to protect its assets.

Audit is of the view that management failed to ensure safety and physical presence of spares and stores worth of Rs 29.685 million.

The matter was reported to the management and PAO on May 23, 2023. The management replied that proper incorporation of disposal of assets having written down value as nil will be done from the accumulated reserves as per rules & regulations. The reply was not convincing as the shortage of stores was pointed out during the year 2014-2015. In January 2021, the shortages were also confirmed by independent Chartered Accountant firm but no action was taken by the management.

DAC in its meeting held on December 28, 2023 directed the management to complete the external audit of corporation and get the qualifications removed.

Audit recommends compliance of DAC's directives.

8.1.4.15 Irregular retention of contractor's security in the company's main account - Rs 7.010 million

According to section 217(2) of the Companies Act 2017, the money so received shall be kept in a special bank account maintained by a Company with a Scheduled bank.

During audit of PUNJMIN for the years 2020-22, it was observed that the management retained an amount of Rs 7.010 million pertaining to the securities of contractors in its main operational account in violation of the provision of the Companies Act 2017.

Audit is of the view that weak financial management resulted into violation of provisions of section 217 of the Companies Act 2017.

The matter was reported to the management and PAO on May 29, 2023. The management replied that corporation retained amount pertaining to the securities of contractors under head of security payable and their individual ledger also maintained accordingly. The reply is not convincing as separate bank account was not opened in compliance of section 217.

DAC in its meeting held on December 28, 2023 directed the management to open separate account for security deposits in compliance of section 217 and got the record verified from audit.

Audit recommends compliance of DAC's directives.

8.1.4.16 Non imposition of late payment charges due to defective agreement with suppliers - Rs 59.456 million

According to clause XI of the agreement executed with M/s Ittehad Chemicals, the party is bound to made payment to PUNJMIN within thirty days from the issuance of invoice.

During audit of PUNJMIN Khewara project for the years 2020-22, it was observed that the management made an agreement with M/s Ittehad Chemicals, M/s Sitara Chemicals and M/s ICI Soda Khewara for the sale of industrial salt. The buyers failed to make payment with in stipulated time and caused delay of considerable time. It was further observed that there was no clause regarding penalty for late payment in the contract. Details of outstanding receivables as under:

(Rs in million)				
Name of Party	Balance 30-06-2019 (Rs)	Balance 30-06-2020(Rs)	Balance 30-06-2021(Rs)	Balance 30-06-2022(Rs)
Ittehad Chemical	7.522	10.713	6.242	21.606
Sitara chemical	7.20	10.737	3.653	20.200
ICI Soda	7.397	20.496	13.715	17.740
Total	22.119	41.946	23.610	59.546

Due to defective agreement, the corporation failed to receive payments in time.

Audit is of the view that due to non-existence of the penalty clause regarding delayed payment, a considerable amount had been blocked by the above companies.

The matter was reported to the management and PAO on May 29, 2023. The management replied that long term and continuous profitable business relations with the said consumer industries since decades, penalty clause was not included in the agreements. The reply was not convincing as defective agreement was made and did not include the late payment clause.

DAC in its meeting held on December 28, 2023 directed the management to fix responsibility for the lapse and to insert penalty clause in the agreements for future.

Audit recommends compliance of DAC's directives.

8.1.4.17 Loss due to non-deduction of sales tax on excavation services – Rs 104.041 million

According to serial No. 28 of Punjab Sales Tax on service Act 2012, services provided in respect of mining of minerals, oil & gas including related surveys and allied activities will be charged @ of 16%.

During audit of PUNJMIN for the years 2020-22, it was observed that the management hired the services of various excavation contractors for mining of minerals during the period but did not deduct PST from the payment bills of the contractors. A notice dated March 31, 2023 was issued by PRA to management about filing of monthly withholding of PST on services. The PRA again issued a show cause notice to the management on April 20, 2023 for non-compliance of the matter. This reflected that the management neither deducted nor deposited of sales tax on services worth Rs 104.041 million, which caused loss to the government ex-chequer. The detail is given as under:

(Rs in million)

Name of Project	Name of Project	Total sales (Rs)	16% PST on Services (Rs)
Padhrar Coal	2020-21	82.563	13.210
	2021-22	137.477	21.996
Dandot Coal	2020-21	31.582	5.053
	2021-22	11.01	1.760
Qaidabad Salt	2020-21	33.773	5.404
	2021-22	36.501	5.840
Marmandi Salt	2020-21	69.240	11.078
	2021-22	146.629	23.461
Mian Mitha Salt	2020-21	10.279	1.645
	2021-22	10.172	1.627
Khushab Bauxite	2020-21	7.822	1.251
	2021-22	4.619	0.739
Silica Sand Mianwali	2021-21	10.702	1.712
	2021-22	2.335	0.374
Gypsum Mianwali	2021-22	23.993	3.839
	2021-22	31.569	5.051
Total PST on Services			104.04

Due to weak financial control, the irregularity was occurred.

Audit is of the view that management should have deducted the PST on services as per rules and must have deposited the same in the account of Punjab Revenue Authority.

The matter was reported to the management and PAO on May 29, 2023. The management replied that corporation was in process of registration with Punjab Revenue Authority which was likely to be completed in September, 2023. The reply was not convincing as the matter was yet to settled with the PRA authorities and the amount was still payable.

DAC in its meeting held on December 28, 2023 directed the management to pursue the matter with PRA and pay the due amount of PST at the earliest.

Audit recommends compliance of DAC's directives.

Chapter-9

Planning and Development Department

Introduction

The Planning and Development Department, Government of the Punjab, is the principal planning organization at the provincial level. It coordinates and monitors development programs and activities of various departments of the provincial government. The department also prepares an overall Medium Term Development Framework (MTDF) of developmental activities in the province. The Medium Term Development Framework lays down the developmental activities to be carried out in the province in various sectors of the provincial economy. In this manner, the Planning & Development Department is one of the main actors in the growth of the economic potential of the province.

The mandate of the Planning and Development Department includes provision of technical support and coordination to various Government departments in their planning activities. The department is also the main government agency working with foreign donors in the province.

Purpose/ Objectives

The main objectives of the department are as follows:

- Assessment of the material and human resources of the province
- Formulation of long and short term plans
- Recommendations concerning prevailing economic conditions, economic policies or measures
- Examination of such economic problems as may be referred to it for advice
- Coordination of all economic activities in the provincial government

Governing Laws

Punjab Information Technology Board Ordinance 1999.

Formations:

Punjab Skill Development Fund
Punjab Information Technology Board
Urban Sector Planning and Management Service Unit
Engineering Consultancy Services of Punjab
Punjab Skills Development Authority

Audit profile of Planning and Development Department

(Rs in million)

Sr. No	Description	Total Nos	Audited	Expenditure audited FY 2022-23 (Rs)	Revenue/Receipt audited FY 2022-23 (Rs)
1	Formations	03	01	1,194.81	1,297.06
2	Authorities/Autonomous Bodies etc. under the PAO	02	01	3,023.92	3,127.52
3	Foreign Aided Projects (FAP)	-	-	-	-

Classified Summary of Audit Observations

Audit observations amounting to Rs 3,597.902 million were raised as a result of this audit. This amount also includes recoverable of Rs 5.537 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

Overview of the Audit Observations

(Rs in million)

Sr. No	Classification	Amount (Rs)
1.	Non-Production of record	-
2.	Reported cases of fraud/Embezzlement and Misappropriation	-
3.	Irregularities	
a.	HR/employees related irregularities	26.824
b.	Procurement related irregularities	761.119
c.	Management of Accounts with Commercial Banks	1,067.862
4.	Value for money and service delivery issues	112.525
5.	Other	1,629.572

9.1 Punjab Information Technology Board (PITB)

9.1.1 Introduction

The Punjab Information Technology Board (PITB) was established under an ordinance of Governor of the Punjab dated March 27, 1999. The principal objective of the Board is to develop information technology as a major sphere of economic activity and promote its use in public and private sectors for increasing efficiency and competitiveness.

9.1.2 Comments on Audited Accounts

The management failed to provide annual audited accounts for the years 2017-18 to 2022-23 by December 31, 2023.

9.1.3 Compliance of PAC Directives

Audit Report	Total Paras	Compliance received	Compliance not received	Percentage of compliance
2006-07	05	05	0	100%
2010-11	01	01	0	100%
2012-13	08	05	03	62.5%
2013-14	12	06	06	50%
2019-20	13	02	11	15%
Total	39	19	20	49%

Overall compliance is 49%, which needs to be improved and requires special attention of PAO.

9.1.4 Audit Paras

9.1.4.1 Irregular appointment of staff having irrelevant qualification and experience – Rs 19.248 million

According to PITB Resource requisition form and PC-I, qualification required for Business Development Assistant was minimum 16 years with a

degree in Project Management/ Computer science/ Computer engineering/ IT/ Software engineering or related from a reputed HEC recognized local or foreign institution. Further, as per PC-I of E-Abiana, two year experience was required for software engineer.

During audit of Punjab Information Technology Board (PITB) for the years 2021-23, it was observed that management hired staff on various projects having irrelevant qualification and experience resulted into irregular payment of Rs 19.248 million. Detail is in **Annex-13**.

Due to lack of internal controls and poor HR management, person(s) with irrelevant qualification and experience was selected.

Audit is of the view that management was required to hire a person having relevant qualification and experience but the same was not done.

The matter was reported to the management and PAO on October 23, 2023. The management replied that all the employees were hired after fulfilling all codal formalities. The reply was not convincing as employees having irrelevant qualification and experience were recruited.

DAC in its meeting held on January 24, 2024, directed the management to provide the record for verification to audit. The management did not provide the record till finalization of this report.

Audit recommends compliance of DAC's directives.

Note: The issue was also reported earlier in the Audit Reports for Audit Years 2015-16, 2019-2020 and 2022-23 vide para numbers 12.1.4.2, 10.1.4.2 and 10.1.4.4 having financial impact of Rs 4.86 million, Rs 59.548 million and Rs 5.563 million respectively. Recurrence of same irregularity is a matter of serious concern.

9.1.4.2 Irregular drawl of funds from Assan Assignment Accounts - Rs 1,067.862 million

According to Procedure-1 (xv) of Assan Assignment Account Procedure, 2020 applicable w.e.f October 26, 2020, cash withdrawal or transfer of funds to any bank account is not allowed except employees related deductions like

pensions contributions, provident fund and GP Fund etc. These deductions shall be made as per Rules/Policy Guidelines/Procedure of the relevant offices. Payment shall be made only through crossed cheque to contractors, vendors, suppliers, employees, etc.

During audit of PITB for the years 2021-23, it was observed that management drew an amount of Rs 326.397 million from Assan Assignment Account (AAA) No. 1173752998 for non-development grants and amount of Rs 741.465 million from Assan Assignment Account (AAA) No. 1173753004 for development grants to its commercial Bank Accounts and transferred to its commercial Bank Accounts. This situation showed that management drawn excess amount from the assignment account in its commercial account which was against the above procedure. Detail is in **Annex-14**.

Due to weak financial controls a huge amount was drawn without need.

Audit is of the view that the above said excess transfer of amount from AAA to Commercial Bank of PITB showed objectionable financial practice as it by-passed the annual budgeting framework of Government of Pakistan.

The matter was reported to the management and PAO on October 23, 2023. The management replied that out of Rs 741.464 million, around 89% of funds i.e. Rs 657.766 million were transferred for disbursement of salaries to staff apart from its contractual staff. The reply was not convincing as the amount of salaries to staff can be withdrawn through cross cheques/advice to bank against the employees as per procedure of AAA.

DAC in its meeting held on January 24, 2024, directed the management to refer the case to Finance Department for advice.

Audit recommends compliance of DAC's directives.

(DP Nos: 352,354)

9.1.4.3 Non-achievement of targeted trainings and non-reconciliation of sponsorship fee with universities - Rs 19.824 million

As per PC-I of National Freelance Training Program (NFTP), the main objectives of this initiative are to establish twenty (20) physical training centers across Pakistan, target to train 22,960 candidates. Further, sponsorship funds for

up to 300 candidates will be transferred in advance to public partner universities. Reconciliation of funds will be carried out between partner university and project before each subsequent cohort according to number of graduates.

During audit of PITB for the years 2021-23, it was observed that management of PITB start execution of the project NFTP which is sponsoring by the Ministry of Information Technology & Telecommunication, Pakistan in August 2019 with the target to complete the trainings of 22,960 students upto June 2022 through Public Universities across Pakistan. Only 9,821 students trained against target of 22,960 upto June 30,2023 which show poor performance on the part of PITB.

Further, management given advance against student fee to the partners universities as per agreement but did not train the students till to date and fee of Rs 19.824 million are still pending against the universities which needs justification. Detail is in **Annex-15**.

Due to weak project and financial management, the management failed to achieve the trainees targets as per provision of PC-I.

Audit is of the view that PITB did not achieve the targets of trainings despite giving full financial resources to the universities.

The matter was reported to the management and PAO on October 23, 2023. The management replied that the NFTP project was largely effected initially by Covid in 2020 and then by the flood in year 2022 specially in areas of Sindh and Baluchistan which caused hindrance in achieving targets. The reply was not convincing as the management was required to achieve target of 22,960 upto June 2022 but lapse of one and half year, only 11,837 students trained against enrolled 13,650 students. Further, as per data of students provided, 1,451-students fee pending against universities.

DAC in its meeting held on January 24, 2024, directed the management to recover the amount of sponsorship from the University who refused to conduct training and achieve the targets as per revised PC-1.

Audit recommends compliance of DAC's directives.

(DP Nos: 334,335)

9.1.4.4 Revenue loss due to non-implementation of exit strategy for E-Khidmat Markaz - Rs 850.00 million

According to clause-15 regarding Exit Strategy of PC-1, during the 3rd and 4th revision of the project E-Khidmat Markaz, it was proposed to make said project self-sustainable after completion of the project, fee charging model may be adopted under which a minimal fee will be charged to citizens against the services obtained and revenue would also be generated through marketing campaigns.

During audit of PITB for the years 2021-23, it was observed that PITB management executed project “E-Khidmat Markaz” to provide 30+ services and established Ten (10) Facilitation Centers in the Province of Punjab after incurring cost of Rs 1,529.518 million and incurring more than 400 million annually for operation of centres. The said project was completed in June 2019 and management should have charged fee as per exit strategy but management did not to do so and suffered revenue loss as under:

(Rs in million)	
Year	Potential Income (Rs)
2019-20	175
2020-21	198
2021-22	224
2022-23	253
Total	850

Due to weak operational controls, management failed to get the revenue against the services rendered to the general public.

Audit is of the view that management should be taken steps to charge the fee to the customers for exit strategy which were recommended by DG M&E and also proposed in PC-I as the government incurred huge expenses annually.

The matter was reported to the management and PAO on October 23, 2023. The management replied that the project aims to establish a self-sustainable model, and the CFSCS are anticipated to become fully operational in the near future.

DAC in its meeting held on January 24, 2024, directed the management to implement the PC-I provisions pertaining to exit strategy in letter and spirit.

Audit recommends compliance of DAC's directives.

9.1.4.5 Undue/unnecessary expenditure from grant due to non-operation of Facilitation Centre, Chakwal on self-sustainable model – Rs 15.955 million

According to clause-17 and 17.1 regarding Exit Strategy of PC-1 (2nd Revision) of Facilitation Centre Chakwal, the project will completely run on its self-sustainability model after the completion of the project. As per self-sustainability model, Centre would handle 9,216-customers/month and run at break event point if management charged per customer fee Rs 66.09, Rs 88.12 and Rs 132.2 at 100%, 75% and 50% capacity respectively.

During audit of PITB for the years 2021-23, it was observed that the management executed project Citizen Facilitation and Service Centre at Chakwal to provide 30+ services after incurring cost of Rs 79.575 million. The said project started its operations in May 2022 and as per exit strategy management was required to charge fee to run its operations. The management of PITB did not charge any fee and received the grant of Rs 16.699 million from government and incurred expenditure of Rs 15.955 million unnecessarily from the grant to run the Centre.

Due to weak project management, PITB failed to implement the PC-I in letter and spirit.

Audit is of the view that management should have taken steps to charge the fee to the customers to make the center sustainable as recommended in PC-I.

The matter was reported to the management and PAO on October 23, 2023. The management replied that the project aims to establish a self-sustainable model, and the CFSCS are anticipated to become fully operational in the near future.

DAC in its meeting held on January 24, 2024, directed the management to implement the PC-I provisions pertaining to exit strategy in letter and spirit.

Audit recommends compliance of DAC's directives.

9.1.4.6 Loss to government due to non-charging of Punjab Sales Tax on IT services - Rs 11.536 million

According to Sr. No. 22 of 2nd schedule of Punjab Sales Tax on Services Act 2012 under taxable services, five percent tax imposed on IT based services.

During audit of PITB for the years 2021-23, it was observed that management provided different IT services to clients which were not funded by the government and have own source of income but no PST was charged by the PITB which caused loss to the government exchequer of Rs 11.033 million. The detail is as under:

(Rs in million)					
Name of Project (2021-23)	Name of Beneficiaries	Expenditures 2021-22 (Rs)	Expenditures 2022-23(Rs)	Total (Rs)	5% PST (Rs)
Implementation of HIMS at PESSI	PESSI	57.102	163.573	220.675	11.034
WASA Complaint Management System	WASA	4.354	5.692	10.046	0.502
Total					11.536

Due to weak financial management responsibilities of tax was not discharged as per rules.

Audit is of the view that management should have charged the PST on provision of services provided as per Act mentioned above.

The matter was reported to the management and PAO on October 23, 2023. The management replied that funds were utilized for payment against procurements made on behalf of Client departments to execute the IT component and for the purchase of hardware for client department on which relevant taxes were withheld and deposited. Suggestions of the audit is well taken and PITB will charge PST on services to Private sector /autonomous bodies. The reply was not convincing as the management was required to charge PST against the IT services as per rules.

DAC in its meeting held on January 24, 2024, directed the management to refer the para to Finance Department for advice.

Audit recommends compliance of DAC's directives.

9.1.4.7 Underutilization of E-Khidmat Marakaz despite incurring full operational cost annually - Rs 412.475 million

As per detailed footfall analysis performed by the Director General Monitoring & Evaluation of Planning and Development Board, Government of the Punjab in its evaluation report issued on August 2019 on Project Establishment of Citizen Facilitation and Service Centers (E-Khidmat Markaz) that the year wise footfall and its growth rate shown that each centre will provide 436,670-Nos different services to the general public in a year. Further, the minimum capacity of the center is 768-customers per day which become 240,384-customers per year excluding holidays.

During audit of PITB for the years 2021-23, it was observed that PITB management is running 10-facilitation centers in the Province of Punjab and incurred expenditures of Rs 317.224 million in 2021-22 and Rs 412.475 million in 2022-23 to provide 30+ services including main i.e. Birth, Character, Child Registration, Death, Domicile and Family Registration certificates, issuance of FARD, Property Registry, E-Stamp Paper and Driving license etc. The services provided data for the year 2022-23 of each center revealed that not a single centre maintained footfall growth rate and all the centers also did not utilize its minimum capacity. Detail is as under:

Facilitation Centre	Minimum Capacity (Nos)	2022-23		2021-22	
		No of Delivered Services (Nos)	%age of Minimum Capacity Utilization	No of Delivered Services (Nos)	%age of Minimum Capacity Utilization
Bahawalpur	240,384	208,800	87%	100,374	42%
DG Khan	240,384	153,529	64%	33,691	14%
Faisalabad	240,384	198,136	82%	123,341	51%
Gujranwala	240,384	131,910	55%	60,737	25%
Lahore ASTP	240,384	225,919	94%	152,417	63%
Lahore Town Hall	240,384	85,665	36%	55,621	23%
Multan	240,384	205,343	85%	105,570	44%
Rawalpindi	240,384	136,338	57%	97,529	41%
Sahiwal	240,384	126,220	53%	54,408	23%

Sargodha	240,384	204,289	85%	129,133	54%
Total	2,403,840	1,676,149	70%	912,821	38%

Due to weak operational controls, management failed to deliver the services to the general public upto mark.

Audit is of the view that management should take steps for utilization of E-Khidmat Marakaz upto capacity as the government incurred huge expenses.

The matter was reported to the management and PAO on October 23, 2023. The management replied that when assessing the annual turnaround of delivered services to citizens at all CFSCs across Punjab, a substantial increase in effectiveness is consistently observed over time. The reply was not convincing as the centres did not achieve minimum capacity utilization.

DAC in its meeting held on January 24, 2024, directed the management to take efforts for maximum utilization of centres.

9.1.4.8 Un-necessary procurement of UPS for PESSI Hospitals - Rs 4.922 million

As per Hardware distribution plan of HMIS PESSI Project, the Desktop Computers with UPS were required upto June 2023 for PESSI Hospitals.

During audit of PITB for the years 2021-23, it was observed that management purchased 1217-UPSs at the Rs 12,850 from M/s Makkays on March 20, 2023. On the other hand, management purchased 834-Nos Desktop Computers at Rs 103,500 each on May 30, 2023 against the demand of 1217-Nos. The equipment were distributed to the PESSI hospitals upto June 2023. 383-Nos Desktop Computers were not procured till to date but the UPS of the same quantity were purchased in March 2023. Thus, management procured 383-UPS for Rs 4.922 million without any need and expired of warranty without use.

Due to poor operational management an unnecessary procurement was made.

Audit is of the view that management should procured UPS according to requirement of desktop computers to avoid unnecessary procurement.

The matter was reported to the management and PAO on October 23, 2023. The management replied that the responsibility lies with sponsoring department for not releasing the due funds timely and holding the implementation as PITB is executing agency. The reply was not convincing as the PITB purchased the hardware on the behalf of the PESSI as executing agency and was required to watch the proper utilization/need of the hardware.

DAC in its meeting held on January 24, 2024, directed the management to resolve the issue with PESSI.

Audit recommends compliance of DAC's directives.

9.1.4.9 Non expansion of the E-Rozgar program to the private Sector

As per decision of 1st meeting of steering committee held on June 08, 2022 regarding exit strategy for project titled E-Rozgar Training Program, PITB to explore viable options with interested private sector institutes with a revenue generation model for using E-Rozgar's name as its brand value provided that the standards of training are strictly adhere and a process of check and balance in place.

During audit of PITB for the years 2021-23, it was observed that PITB executing the E-Rozgar Program and as per decision of the committee on exit strategy, PITB was required to initiate the expansion of program through private sector with a revenue generation model. This amount can be utilized or adjusted by creating a revolving fund. The same was not done.

Due to weak project management, management failed to implement the exit strategy of the project.

Audit is of the view that management should have implemented the decision of the committee to expand the project to private sector to earn revenue.

The matter was reported to the management and PAO on October 23, 2023. The management replied that in accordance with the minutes of the 1st steering committee, feasible alternatives were explored via revenue generation model in collaboration with private sector entities. However, this model underwent updates in subsequent steering committee meetings and eventually it

was decided that expansion with public/private sector would be implemented through a franchise-based model. The reply was not convincing one and half year has been elapsed but management did not start the self-sustainable model through private universities as per instructions of the steering committee held on June 08, 2022.

DAC in its meeting held on January 24, 2024 directed the management to extend the program to the private sector.

Audit recommends compliance of DAC's directives.

9.2 Punjab Skills Development Fund (PSDF)

9.2.1 Introduction

Punjab Skills Development Fund (PSDF) was incorporated on October 11, 2010 under Companies Ordinance 1984 (now Companies Act 2017). It is sponsored by the Government of the Punjab and funded by the Department of International Development, UK. The registered office of the company is situated in Lahore. The company is a funding organization which acts as a financier of skills development / vocational training projects and intends to stimulate the market for skills development.

9.2.2 Comments on Audited Accounts

9.2.2.1 The working results of the Fund for the year 2022-23 as compared to the previous years are given as under: -

	(Rs in million)				
	2022-23	%Inc /(Dec)	2021-22	%Inc /(Dec)	2020-21
Income					
Grant Income	1176.61	53.05	768.79	(71.57)	2,704.51
Amortization of deferred contribution-Capital Assets	16.222	(31.44)	23.66	(5.47)	25.03
Management fee (Other Income)	17.224	28.35	13.42	44	9.32
Income from Placement Services	7.47	38.59	5.39	(33.04)	8.05
Profit on bank deposits	79.54	705.88	9.87	2.37	7.98
Total	1297.06	57.96	821.124	(70.09)	2,745.57
Expenditure					
Punjab Skills Development Project (PSDP)	-	-	-	(100)	28.79
Skills Development Program (SDP) – Training	-	-	186.81	(92.53)	2,501.8
Skills Development Program (SDP) - Technical Assistance	-	-	18.04	(86.80)	136.71
Evidence Generation & Design Program (EGDP)	71.70	206.93	23.36	246.07	6.75
Skilling Youth for Income Generation (SYIG)	1,024.31	90.23	538.450	-	-

Self-Sustainable Initiative	33.48	156.04	13.076	100	0
Finance cost	0.083	(60.48)	0.21	21.56	0.17
Total			779.94	(70.83)	2,674.22
Surplus of income over expenditure	102.25	148.24	41.19	(48.94)	80.68
Accumulated fund	341.004	40.94	241.955	17.31	206.250

(Source: Annual Audited Accounts for 2022-23)

The surplus of income over expenditure increased to Rs 102.25 million in the year 2022-23 from Rs 41.19 million in the year 2021-22 showing an increase of 148.24%. This was mainly increased due to huge increase in profit on bank deposits which increased from Rs 9.87 million in the year 2021-22 to Rs 79.54 million in the year 2022-23. On the other hand, Income from placement services and management fee could be increased at minimal level i.e. from Rs 5.39 million in 2021-22 to Rs 7.47 million in 2022-23 & from Rs 13.42 million to Rs 17.22 million respectively. Income from bank deposits does not contribute to the operational/ regular income. Management should make efforts to achieve substantial increase in operational income as in case of non-funding from different donors may create liquidity and going concern problems for the organization in future.

9.2.2.2 Accumulated fund of the company increased to Rs 241.96 million as on June 30, 2022 from Rs 206.250 million as on June 30, 2021 and further increased to Rs 341.003 million as on June 30, 2023. This showed constant increase in accumulated fund which requires management attention to devise a policy/ framework for proper utilization of the fund instead of its accumulation.

9.2.2.3 Deferred grants for capital assets under non-current liabilities reduced to Rs 52.61 million (FY 2022-23) from Rs 67.20 million (FY 2021-22) showing a decrease of 21.71% only. Non-utilization of these funds needs clarification.

9.2.2.4 Other receivable for SDF Program which increased to Rs 106.27 million in the year 2022-23 from Rs 9.95 million in the year 2021-22 registered an increase of 968.04%. This huge increase needs explanation along with updated position of the recovery.

9.2.2.5 Short term investments reduced to Nil (FY 2022-23) from Rs 100.00 million (FY 2021-22) showing a decrease of 100% despite availability of sufficient cash and bank balance of Rs 1,111.55 million as on July 01, 2022. This shows weak financial management of the funds which deprived the company from generating profit on bank deposits.

9.2.2.6 Expenditure under Self Sustainable Initiative increased to Rs 33.48 million in the year 2022-23 from Rs 13.08 million in the year 2021-22 showing an increase of 155.96%. This was mainly due to increase in salaries and travelling and conveyance expenses. This huge increase needs explanation despite the fact that average number of employees reduced to 60 from 73.

9.2.2.7 Excess expenditures over receipt amounting to Rs 10.57 million, Rs 13.66 million and Rs 2.98 million under the projects of EGD, SYIG and KSIP were incurred during the year 2022-23. This needs explanation as expenditures should have been incurred keeping in view the availability of funds.

9.2.2.8 Under the project SYIG, funds amounting to Rs 7.23 million could not be utilized and lapsed during the year 2022-23. This shows inefficient management of funds as these were withdrawn but could not be utilized during the year.

9.2.2.9 Expenditure on account of research activities increased to Rs 67.05 million (FY 2022-23) from Rs 16.63 million (FY 2021-22) showing an increase of 303.19%. This huge increase needs to be explained along with complete detail of activities done and their impact on the project.

9.2.2.10 Meeting fee paid to the Board of Directors increased to Rs 4.43 million (FY 2022-23) from Rs 2.38 million (FY 2021-22) showing an increase of 86.13%. This huge increase needs to be explained along with complete detail of meeting and expenses incurred.

9.2.2.11 Honorarium paid to the executives increased to Rs 6.09 million (FY 2022-23) from Nil (FY 2021-22). Huge payment on account of honorarium needs justification along with provision of complete detail of employees, their KPIs,

achievements, inclusion of this amount in the annual budget, approvals of the honorarium from the competent forum.

9.2.3 Compliance of PAC Directives

No PAC meeting for the years 2014-15 to 2021-22 has been convened so far.

9.2.4 Audit Paras

9.2.4.1 Irregular appointment of the employees – Rs 7.576 million

According to the advertisement dated October 30, 2020, December 15, 2020 published in the Daily Jang Lahore. Following was the criteria required for appointment against different posts.

Sr. No.	Position	Education	Experience
1.	Communication specialist Grade 3	Bachelor's degree (16 years) or Master's degree in communication/ Marketing/Social science or any relevant discipline from an HEC recognized university.	A minimum of 4 years or above relevant experience with reputed organization.
2.	Associate Monitoring & Evaluation Grade 3	Bachelor's degree (16 years) or Master's degree from an HEC recognized university in economics/ Marketing/Social science or any relevant discipline.	2 years or above of relevant experience with bachelor's degree (16 years) OR 1 year or above with Master's degree.
3.	Specialist Risk Assurance Grade-3	Qualified from a recognized professional body of Accountant/ Audit/ CIA/ ACCA/CPA/ CA/ ACMA/ will be preferred.	A minimum of 4 years or above of relevant experience with reputed organization.

During audit of Punjab Skills Development Fund for the years 2020-22, it was revealed that management made appointments of different officers on contractual basis in violation of the advertised criteria as detailed below:

(Rs in million)				
S #	Name	Designation	Observation	Amount (Rs)
1.	Maria Shahid	Management Associate Business Development & Partnerships-Grade-3	✓ Irrelevant qualification. ✓ Inadequate experience. ✓ She had a degree from foreign university but the same was not verified from HEC.	3.594
2.	Junaid Ali Waseer	Associate Monitoring & Evaluation	✓ Irrelevant qualification. ✓ Experience was not relevant.	1.077
3.	Iqra Sarfraz	Associate Monitoring & Evaluation	✓ Last date of application submission was 30.10.2020 but she was issued appointment letter on 30.09.2020 and her reference check was done on 28.10.2020. It means she was appointed prior to the advertisement. ✓ Irrelevant qualification.	0.359
4.	Muhammad Sheharyar Basra	Specialist Risk Assurance	✓ Deficient qualification. ✓ Deficient experience.	2.547
Total				7.576

Weak internal controls in HR management led to the irregular appointment of employees.

Audit is of the view that management violated its own advertised criteria and extended undue favor to the candidates which resulted into irregular appointments and payment of pay and allowances amounting to Rs 7.576 million.

The matter was reported to the management and PAO on September 07, 2023 followed by subsequent reminders but no reply was received. DAC meeting was not convened by PAO despite requests by audit till finalization of this report.

Audit recommends the management to state the reason (s) for appointment in violation of the advertised criteria besides fixing responsibility.

Note: The issue was also reported earlier in the Audit Report for Audit Year 2020-21 vide para number 8.2.4.4 having financial impact of Rs 63.62 million. Recurrence of same irregularity is a matter of serious concern.

9.2.4.2 Non transparent hiring of Training Service Providers without press advertisement under cost sharing scheme – Rs 176.497 million

According to Rule-4 of PSDF Procurement Rules 2016, the fund, while making any procurement shall ensure that the procurement is made in a fair and transparent manner, the object of procurement brings value for money to the fund and the procurement process is results-driven, efficient and economical. Further, Rule-60(1) of PSDF Procurement Rules 2016, fund may advertise an open invitation for prequalification of training service providers.

During audit of PSDF for the years 2020-22, it was revealed that management hired 40 TSPs for conducting 56 training programmes/trades into 395 classes. These TSPs were hired without press advertisement in violation of Punjab Procurement Rules / PSDF Procurement Rules and management paid Rs 176.497 million. Detail is in **Annex-16**.

Due to weak internal controls and non observance of Procurement rules management paid Rs 176.497 million to the few selected TSPs which was considered irregular.

Audit is of the view that hiring of above mentioned TSPs without press advertisement indicates negligence on the part of the management.

The matter was reported to the management and PAO on September 07, 2023 followed by subsequent reminders but no reply was received. DAC meeting was not convened by PAO despite requests by audit till finalization of this report.

Audit recommends the management to justify the reason for hiring of TSPs without press advertisement in violation of Procurement rules.

9.2.4.3 Irregular hiring of Training Service Providers without publishing expression of interest –Rs 381.941 million

According to Rule-44 (c) of Punjab PPRA Rules 2014, for selection of consultants, the procuring agency shall publicly advertise invitation of

consultants, expressions of interest and their short-listing. Further Rule-47(1), a request for expression of interest shall be advertised in accordance with the provisions of Rules 12 and 13.

During audit of PSDF for the years 2020-22, it was observed that management hired different Training Service Providers (TSPs) by adopting the procedure of hiring of short-term consultants in various training schemes under the project Skills for Youth Income generation (SYIG). During scrutiny it was found that following TSPs were hired without publishing/advertising of Expression of Interest in violation of Punjab PPRA Rules 2014. The management directly floated Request For Proposals (RFPs) and awarded contracts valuing Rs 381.941 million. The detail is given as under:

		(Rs in million)
Sr. No.	Name of Schemes	Amount (Rs)
1.	Skills for Jobs 2022 Hospitality	40.084
2.	Skills for Jobs 2022 Light Engineering	49.493
3.	Skills for Job 2022 (Textile, Construction & ICT)	292.364
	Total	381.941

Due to weak controls, non observance of PPRA Rules 2014 and non exercising of due diligence, hiring of above mentioned TSPs considered irregular.

Audit is of the view that hiring of above mentioned TSPs by awarding contract without EOIs is held irregular.

The matter was reported to the management and PAO on September 07, 2023 followed by subsequent reminders but no reply was received. DAC meeting was not convened by PAO despite requests by audit till finalization of this report.

Audit recommends the management to fix responsibility for the violation of PPRA Rules.

Note: The issue was also reported earlier in the Audit Report for Audit Year 2017-18 vide para number 11.3.4.3 having financial impact of Rs 6.046 million. Recurrence of same irregularity is a matter of serious concern.

9.2.4.4 Irregular award of contract of consultancy to OPML consultant – Rs 82.565 million

According to clause 5.2 of Request for Proposal document, It is mandatory for the consulting firm and its consortium firms and any subject matters experts associated with this assignment to complete an online course, before the submission of the proposal against the RFP, on Prevention of Sexual Exploitation and Abuse (PSEA) – a UNICEF course designed to raise awareness of UN's zero tolerance of workplace harassment, sexual harassment and abuse authority to be eligible for this procurement. Further According to rule 36(4)(iii) that the PSDF shall evaluate the whole proposal in accordance with the evaluation criteria and the lowest evaluated bid shall be accepted.

During audit of PSDF for the years 2020-22, it was observed that management hired Oxford Policy Management Pakistan (OPM) Pvt. Limited as consultant under the UNICEF project. When the evaluation of bidding documents was checked, it was found that undue favor was granted by awarding contract to bidder which did not fulfill the minimum score criteria of 312. This resulted into irregular award of contract amounting to Rs 82.565 million. Detail is in **Annex-17**.

Due to poor procurement process a technically disqualified bidder was granted a consultancy contract.

Audit is of the view that management remained negligent throughout the evaluation process and granted contract of consultancy to a technically disqualified consultant.

The matter was reported to the management and PAO on September 07, 2023 followed by subsequent reminders but no reply was received. DAC meeting was not convened by PAO despite requests by audit till finalization of this report.

Audit recommends the management to justify the reason (s) for selection of disqualified consultant besides fixing responsibility.

9.2.4.5 Irregular hiring of services of M/s Abacus ELS – Rs 26.984 million

According to Rule-4 of PSDF Procurement Rules 2016, while making any procurement shall ensure that the procurement is made in a fair and transparent manner, the object of procurement brings value for money to the fund and the procurement process is results-driven, efficient and economical.

During audit of PSDF for the years 2020-22, it was observed that management hired M/s Abacus ELS for HR outsourcing services at 4.4% service charges per month. When financial documents were observed, manipulation in the financial proposal was observed. The detail is as under:

- i. Financial Bid signed by the M/s Abacus ELS was September 24, 2019 but according to tender, the bid was received on August 23, 2019 which showed that documents was signed after submitting the bidding documents.
- ii. All the pages of financial bid were printed on Abacus letter head but the page in which rate was mentioned with a separate format and PSDF logo was also present on the page made the documents dubious.
- iii. M/s Abacus ELS mentioned in Table of Contents of Financial bid that cost of services offered was at page-4 but the same was found at page-6 in file with a different formatting.

Due to poor procurement management, PSDF hired the services of M/s Abacus ELS.

Audit is of the view that management must have followed transparent hiring process.

The matter was reported to the management and PAO on September 07, 2023 followed by subsequent reminders but no reply was received. DAC meeting was not convened by PAO despite requests by audit till finalization of this report.

Audit recommends the management to justify the reasons regarding hiring of M/s Abacus ELS in non-transparent manner besides fixing responsibility.

9.2.4.6 Irregular hiring of non-eligible TSPs for training of Grooming and Makeup Artist - Rs 8.712 million

According to Code-B.1.1 of eligibility requirements for organization under Employable Skills for Females in Beauty Care Industry 2017 Scheme, organization must have legal status certificate for incorporation.

During audit of PSDF for the years 2020-22, it was observed that the services of M/s Expression Sign Beauty Hut for training of Makeup Artist under the scheme of Skills for Females in Beauty Care Industry 2017. M/s Expression Sign Beauty Hut had no legal status, but management hired the services for training of Grooming and Makeup Artist and paid Rs 8.712 million.

Due to weak internal controls, management failed to fulfill the requirements of criteria during selection of TSP.

Audit is of the view that management granted undue benefit to the TSP by violating the basic criteria.

The matter was reported to the management and PAO on September 07, 2023 followed by subsequent reminders but no reply was received. DAC meeting was not convened by PAO despite requests by audit till finalization of this report.

Audit recommends the management to inquire the matter regarding selection of non-eligible TSP and fix the responsibility on the person (s) at fault.

9.2.4.7 Irregular hiring of consultant for Study on Women Employment Trends in Urban Areas – Rs 6.290 million

According to Rule-4 of Punjab PPRA Rules 2014, a procuring agency, while making any procurement, shall ensure that the procurement is made in a fair and transparent manner, the object of procurement brings value for money to the procuring agency and the procurement process is efficient and economical.

During audit of PSDF for the years 2020-22, it was observed that management hired the services of EY Ford Rhodes for conducting study on women employment trends in urban areas at Rs 6.290 million by adopting Quality and Cost based selection method. While scrutiny of hiring files showed that management extended undue favor to it by rejecting M/s GAT consulting

(Pvt.) Ltd despite the fact that both were technically qualified and M/s GAT consulting (Pvt.) Ltd quoted Rs 3.989 million compared to the financial offer of Rs 9.780 million by the EY Ford Rhodes. Instances where undue favor was granted are detailed below;

- i. As per work portion, the bidder needs to submit the staffing detail. EY Ford Rhodes submitted the staff detail and management awarded it 7 marks and same type of detail was submitted by the M/s GAT but it was awarded only 4 marks. No cogent reason was recorded in writing for granting less marks to M/s GAT.
- ii. Further, as per work portion the bidder was required to submit the timelines for each milestone. Both the firms submitted the same work plan but management granted 5 marks to the M/s EY and 3 marks to the M/s GAT. Again no cogent reason was recorded in writing for granting less numbers to M/s GAT.

Due to poor bid evaluation, the management suffered a loss of Rs 2.301 million by granting consultancy at higher cost.

Audit is of the view that management was required to evaluate both firms on the same yardstick.

The matter was reported to the management and PAO on September 07, 2023 followed by subsequent reminders but no reply was received. DAC meeting was not convened by PAO despite requests by audit till finalization of this report.

Audit recommends the management to justify the reason (s) for not exercising merit while awarding marks to both the firms besides fixing responsibility.

Note: The issue was also reported earlier in the Audit Report for Audit Year 2019-20 vide para number 10.2.4.2 having financial impact of Rs 11.500 million. Recurrence of same irregularity is a matter of serious concern.

9.2.4.8 Undue expenditure for monitoring services due to non implementation of biometric attendance system – Rs 63.352 million

According to point 10/13 of Request for Proposals floated for different training schemes under the heading of verification, PSDF has introduced a new monitoring mechanism for trainers and trainees regarding registration, attendance, uniforms and wages receiving etc. through bio metric device. The number of devices which must be procured before start of the classes for each location by the training service provider who is awarded business.

During audit of PSDF for the years 2020-22, it was observed that Skills Development Program (SDP) and Skills for Youth Income generation (SYIG) programs are executed by the management. The management floated several RFPs for hiring of TSPs and adoption of historical monitoring system by hiring of third party monitoring instead of new monitoring mechanism of attendance mentioned in RFP. Management paid Rs 63.352 million against old monitoring system's cost. Detail is as under:

(Rs in million)			
Sr. No.	Programme	Particulars	Amount (Rs)
1	SYIG	Third Party Monitoring Cost – TPM	8.986
2	SDP	Third Party Monitoring Cost – TPM	54.366
		Total	63.352

Due to weak controls and contract management, the management failed to adopt monitoring mechanism of attendance of trainees to avoid monitoring cost of Rs 63.352 million.

Audit is of the view that payment was made to the third party that can be saved by adopting new monitoring mechanism.

The matter was reported to the management and PAO on September 07, 2023 followed by subsequent reminders but no reply was received. DAC meeting was not convened by PAO despite requests by audit till finalization of this report.

Audit recommends the management to justify the reason for non adopting the real time attendance monitoring mechanism.

9.2.4.9 Wasteful payment to TSPs for non-functional classes – Rs 23.812 million

According to clause 6.1 of Vocational Training Contract signed between PSDF and Training Service Provider, 70% of total contract price as specified in Appendix A will be divided by the number of months and will be paid monthly on the basis of eligible actual enrolment, satisfactory attendance and performance of the trainees.

During audit of PSDF for the year 2020-22, it was revealed that management signed agreements with different TSPs to provide training under different trades. The management paid Rs 23.812 million against 117-nonfunctional classes whose students neither appeared in the exams nor their job placement was made. Hence, management made wasteful payment against non functional classes. Detail is in **Annex-18**.

Due to weak internal controls, weak monitoring mechanism and non-observance of business rules, management paid to different TSPs for non-functional classes.

Audit is of the view that payment gone wasted for non functional classes. Management failed to get outcomes of huge expenditures.

The matter was reported to the management and PAO on September 07, 2023 followed by subsequent reminders but no reply was received. DAC meeting was not convened by PAO despite requests by audit till finalization of this report.

Audit recommends the management to justify the reason for payment of Rs 23.812 million for non-functional classes without getting any outcomes.

Note: The issue was also reported earlier in the Audit Report for Audit Year 2019-20 vide para number 10.2.4.6 having financial impact of Rs 2.108 million. Recurrence of same irregularity is a matter of serious concern.

9.2.4.10 Weak execution/curtailment of training programme in few districts – Rs 1,697.184 million

According to Project Document of Skill Development Programme, Punjab Skills Development Fund will expand its operations from existing 14 districts to

all of the 36 districts of Punjab and will prepare an expansion plan to guide its operations in the new districts of Punjab.

During audit of PSDF for the years 2020-22, it was revealed that management executed various trainings under two Programmes namely Skills for Development & Skills for Youth Income Generation Programme. Both programmes were initiated for all districts of the Punjab Province but trainings were executed in few districts instead of overall Punjab. The management paid an amount of Rs 1,697.184 million to different TSPs for conducting these trainings for a limited population which indicated weak execution of Programmes. Detail is in **Annex-19**.

Due to weak project management and non-exercising of due diligence practice management failed to achieve the main objective of Programs.

Audit is of the view that failure in coverage of above-mentioned training Programs all over the Punjab was negligence on the part of the management.

The matter was reported to the management and PAO on September 07, 2023 followed by subsequent reminders but no reply was received. DAC meeting was not convened by PAO despite requests by audit till finalization of this report.

Audit recommends the management to justify the reasons for failure in coverage of training Programs in all over the Punjab.

9.2.4.11 Irregular hiring of civil contractor and call centre agent for electronic technicians and E-commerce trainings – Rs 94.01 million

According to para-10 of pre-qualification document of Round-6 of Industrial Training Program-2018, industries/establishments may apply for pre-qualification of a trade/course from any sector of the economy in-line with its core business.

During audit of PSDF for the years 2020-22, it was observed that management hired the services of M/s Warriach Builders as Training Services Provider which is registered with Pakistan Engineering Council (PEC) as Civil Contractor in Category-C and as per registration their core business is irrigation work and general civil work. The said builder provided the trainings in such

trades i.e. Scaffolding, GIS Surveyor, Steel Fixer, Safety Inspector, Plumber Cum Solar water heating technician, Electrical/Electronics technician, Aluminum Fabricator, Auto CAD, Close Circuit TV (CCTV) Technician and elevator Technician which did not fall in their core business as per their registration. Further, M/s Pearl Comm Mobiles Plus registered with Pakistan Software Export Board (PSEB) as a Call Centre but they provided training as TSP in different trades i.e. Web Designed & Development, E-commerce, Mobile Application Development. Management paid an amount of Rs 94.01 million to the said contractors.

Due to weak internal controls, management failed to fulfill the requirements of criteria during selection of TSPs.

Audit is of the view that management granted undue benefit to the certain TSPs by violating the basic criteria i.e. core business which is held irregular.

The matter was reported to the management and PAO on September 07, 2023 followed by subsequent reminders but no reply was received. DAC meeting was not convened by PAO despite requests by audit till finalization of this report.

Audit recommends the management to inquire the matter and fix the responsibility on the person (s) at fault.

9.2.4.12 Poor outcome of skills for self-employment scheme – Rs 51.057 million

According to section-2 of Data Sheet of Request for Proposal, training provider has to commit minimum 50% of self-employment. Training provider must provide required linkages of trained persons with the local market, vendors and facilitate trainees for self-employment opportunities.

During audit of PSDF for the years 2020-22, it was observed that management floated request for proposal on October 01, 2020 for 07-different trades under self-employment scheme. Under this scheme management paid Rs 51.057 million to the TSPs and could train only 809-trainees against target of 2000-trainees. Out of trained 809, only 123 trainees could be employed which was only 15% of the trained trainees against 50% commitment.

Due to weak design framework, weak follow up procedure and non-observance of business rules management paid Rs 51.057 million against 15% employment instead of 50% employment commitment as per program.

Audit is of the view that achieving 15% of employment reflects inefficiency on the part of the management. It is also indicated failure of the scheme even after incurrence of huge Government funds.

The matter was reported to the management and PAO on September 07, 2023 followed by subsequent reminders but no reply was received. DAC meeting was not convened by PAO despite requests by audit till finalization of this report.

Audit recommends the management to justify the reason to achieve only 15% of the target.

9.2.4.13 Infructuous expenditures incurred on dropout trainees – Rs 39.914 million

According to rule-4 of Business Rules of PSDF with TSPs, if class > 1 moth Trainee will be considered as marginal if not found in all visits of any given month. Further, rule-5 sated that trainee marked absent in two consecutive months during Third Party Monitoring visits with course duration > 1 month (Dropout).

During audit of PSDF for the years 2020-22, it was observed that PSDF management made payment of Rs 39.914 million to the different TSPs on account of 8,454-Nos dropout trainees. The trainees were selected for Skills Development Programme (SDP) and Skilling for Youth Income Generation (SYIG) but they did not complete their training. Thus, audit considered Rs 39.914 million paid to the TSPs against the dropout trainees was infructuous because no fruitful results were gained against said expenditure.

Due to weak contract management and monitoring mechanism payment was made to TSPs without getting fruitful results.

Audit is of the view that expenditures incurred without achieving objectives resulted into wastage of funds.

The matter was reported to the management and PAO on September 07, 2023 followed by subsequent reminders but no reply was received. DAC meeting was not convened by PAO despite requests by audit till finalization of this report.

Audit recommends the management to justify the reason for incurring of infructuous expenditures on dropout trainees.

9.2.4.14 Fake payment to TSPs for job placement of trainees confirmed telephonically - Rs 32.297 million

According to Data Sheet of Request for proposal of different schemes under SDP and SYIG, Training Service Providers (TSPs) has to commit minimum 30% employment commitment. Training Providers (Consulting Firms) would be required to establish and maintain a proper placement cell at the institute. The placement cell will be required to establish linkages of trained persons with the employers/recruitment agencies and place the trained personnel on jobs.

During audit of PSDF for the years 2020-22, it was observed that management paid an amount of Rs 32.297 million to TSPs on account of job placement of 5,195-trainees after telephonic verification under SDP and SYIG schemes. Audit selected 115-trainees of different trades and called them for verification of job placement by TSPs. Nineteen (19) trainees did not attend the call, only Twenty-Seven (27) trainees confirmed for job placement and the remaining 69-trainees who attend call (72% of 96 trainees 115-19) informed that they were not referred for any job by concerned TSPs and they were still jobless. Thus, management paid huge amount of Rs 32.297 million to TSPs without obtaining any solid proof of job placement to the trainees. Detail is in **Annex-20**.

Due to weak internal controls, management failed to fulfill the requirements of the criteria for job placement before payment to TSPs.

Audit is of the view that management granted undue benefit to the TSPs by violating the criteria which leads to fake payment to TSPs.

The matter was reported to the management and PAO on September 07, 2023 followed by subsequent reminders but no reply was received. DAC meeting was not convened by PAO despite requests by audit till finalization of this report.

Audit recommends the management to inquire the matter regarding payment to TSPs for job placement of trainees without authentication.

9.2.4.15 Irregular payment to the TSP involved in forged activity – Rs 18.923 million

According to rule 5(5) of Corporate Governance Rules 2019, “The Board shall establish a system of sound internal control, which shall be effectively implemented at all levels within the Public Sector Company, to ensure compliance with the fundamental principles of probity and propriety; objectivity, integrity and honesty and relationship with the stakeholders”.

During audit of PSDF for the years 2020-22, it was revealed that PSDF management hired M/s House of Profession for conducting two training classes i.e. E-commerce and Web-development and enrolled 25 trainees in each class. The said TSP was checked physically and it was found that only 10 students were present at the time of visit. When students were interviewed they did not possess any knowledge of the course despite the fact that it was the 2nd last day of course. The same situation was found during visit of Web-development course. On the basis of these observations, it was transpired that all the payment made to the said TSP valuing Rs 18.923 million was irregular. Detail is in **Annex-21**.

Due to weak project management, and non-exercising of due diligence, PSDF management paid to the institute which was involved in forged activity.

Audit is of the view that the said expenditure was made without exercise due diligence.

The matter was reported to the management and PAO on September 07, 2023 followed by subsequent reminders but no reply was received. DAC meeting was not convened by PAO despite requests by audit till finalization of this report.

Audit recommends the management to justify the matter in view of fixing responsibility besides recovery.

Note: The issue was also reported earlier in the Audit Report for Audit Year 2019-20 vide para number 10.2.4.1 having financial impact of Rs 68.511 million. Recurrence of same irregularity is a matter of serious concern.

9.2.4.16 Irregular/unjustified increase in consultancy cost – Rs 10.769 million

According to clause 1.8 of Request for Proposal document, proposal (technical as well financial) must remain valid 120 days after the submission date.

During audit of PSDF for the years 2020-22, it was found that management hired Oxford Policy Management Pakistan (Pvt.) Limited (OPML) as a consultancy firm to carry out research activity for United Nations Children's Fund (UNICEF) project. Initially, the financial proposal was submitted for Rs 76.714 million which was negotiated and finalized on Rs 71.796 million based on modified Scope of Work. But later on, OPML refused to accept the agreed price of Rs 71.796 million and requested for 15% increase in price. PSDF accepted the request of OPML and cost increased to Rs 82.565 million (Rs 71.796 million + Rs 10.769 million) against the RFP.

Due to poor financial management undue increased cost was paid to the consultant.

Audit is of the view that management extended undue favor to OPML by increasing the price of consultancy.

The matter was reported to the management and PAO on September 07, 2023 followed by subsequent reminders but no reply was received. DAC meeting was not convened by PAO despite requests by audit till finalization of this report.

Audit recommends the management to justify the reason (s) for increase in price within the validity period besides fixing responsibility.

9.2.4.17 Irregular award of training services contracts to TSPs against unregistered trades - Rs 10.881 million

According to Data Sheet of request for proposal of different schemes under SDP and SYIG, Training Service Providers (TSPs) must be registered/affiliated/accredited with any TVET body or regulatory authority.

During audit of PSDF for the years 2020-22, it was observed that M/s Centre of Excellence in networking and IT, M/s Infinite Technologies and

Vocational Centre, M/s Rawalpindi Institute of Technology registered with NTB for certain trades for training services. The said TSPs were hired by the PSDF for the training in Trades i.e. NVC Level 2 in ICT (Computer business Management /IT Office Assistant), Computer Hardware Technician, Domestic Tailoring, Telecom Technician (Line & Mobile), Fashion Designing, Tile Fixing & Cutting, Home Appliance Repair which were not registered with any authority as per requirement of eligible criteria. Management paid an amount of Rs 10.881 million for the training of 25 unregistered trades which was held irregular. Detail in **Annex-22**.

Due to weak internal controls, management failed to fulfill the requirements of criteria during selection of TSP.

Audit is of the view that management granted undue benefit to certain TSPs by violating the basic criteria i.e. registration of trades which was held irregular in audit.

The matter was reported to the management and PAO on September 07, 2023 followed by subsequent reminders but no reply was received. DAC meeting was not convened by PAO despite requests by audit till finalization of this report.

Audit recommends the management to state the reason (s) for selection of non-eligible TSPs in violation of the criteria besides fixing responsibility.

9.2.4.18 Hiring of Training Service Providers on bogus registration certificate -Rs 30.935 million

According to Data Sheet of Request for proposal of different schemes under SDP and SYIG, Training Service Providers (TSPs) must be registered/affiliated/accredited with any TVET body or regulatory authority.

During audit of PSDF for the years 2020-22, it was observed that management hired the services of M/s Centre of Excellence in Networking and IT and M/s Rawalpindi Institute of Technology, Rawalpindi on the basis of registration of National Training Bureau, Islamabad. The scrutiny of the registration certificates of the said institutes that signature of Mr. Zaheer Ahmad, Deputy Director (TT&C,NTB) on the registration certificates were different from other certificates issued by the same officer to the other institutes/organizations.

This raised questions of the genuineness of the certificate. The management paid an amount of Rs 30.935 million to the following TSPs on the basis of in-genuine registration certificate.

(Rs in million)	
Name of TSP	Amount (Rs)
Centre of Excellence in Networking and IT, Rawalpindi	10.721
Rawalpindi Institute of Technology, Rawalpindi	20.214
Total	30.935

Due to weak internal controls, management failed to verify the registration certificates from the concerned authorities.

Audit is of the view that management granted undue benefit to certain TSPs at the cost of government exchequer.

The matter was reported to the management and PAO on September 07, 2023 followed by subsequent reminders but no reply was received. DAC meeting was not convened by PAO despite requests by audit till finalization of this report.

Audit recommends the management to state the reason (s) for hiring of TSPs on bogus registration certificates besides fixing responsibility.

9.2.4.19 Irregular hiring of Training Service Providers - Rs 67.249 million

According to Para-xxii of Term of References (TORs) of National Training Bureau, institute entering into MOU or agreement with any other NGO/Department etc. of the basis of NTB's affiliation/registration, they will be bound to get approval from NTB, otherwise affiliation/registration will be considered a cancelled.

During audit of PSDF for the years 2020-22, it was observed that management hired the services of certain TSPs which were registered with National Training Bureau (NTB) for the training of specific trades. TSPs registration certificates indicated that they are registered only for training of NTB's allocated trades but the TSPs used the same certificate for conducting trainings of PSDF. NTB did not allow the TSPs to conduct the training for PSDF as per TORs mentioned above but management hired the services of the TSPs

without approval of the NTB and paid an amount of Rs 67.249 million. Detail is in **Annex-23**.

Due to weak internal controls, management failed to hire the TSPs which was approved by the NTB as per requirements.

Audit is of the view that management granted undue benefit to the certain TSPs by violating the basic criteria.

The matter was reported to the management and PAO on September 07, 2023 followed by subsequent reminders but no reply was received. DAC meeting was not convened by PAO despite requests by audit till finalization of this report.

Audit recommends the management to state the reason (s) for hiring of un registered TSPs on in violation of criteria besides fixing responsibility.

9.2.4.20 Non recovery of training fee from the TSPs - Rs 5.537 million

According to Rule-5(5)(a) of the Public Sector Companies (Corporate Governance) Rules, 2013, the principle of probity and propriety entails that company's assets and resources are not used for private advantage and due economy is exercised so as to reduce wastage. The principle shall be adhered to, especially with respect to handling of public funds, assets, resources and confidential information by directors, executives and employees and claiming of expenses.

During audit of PSDF for the years 2020-22, it was observed that management hired the services of various TSPs for training under Skills Development Programme (SDP) which was closed on June 30, 2021. An amount of Rs 5.537 million receivables shown against the 24-TSPs upto to June 30, 2022. Detail is in **Annex-24**.

Audit is of the view that management granted undue benefit to certain TSPs at the cost of government exchequer.

The matter was reported to the management and PAO on September 07, 2023 followed by subsequent reminders but no reply was received. DAC meeting was not convened by PAO despite requests by audit till finalization of this report.

Audit recommends the management to state the reason (s) for non recovery of training fee from TSPs.

9.2.4.21 Irregular payment to debarred TSP for training of different trades - Rs 37.557 million

According to clause-22 of Vocational Training Contract made on September 6, 2017 between PSDF (Party-A) and M/s Hasnain Tanveer Associates (Party-B), Party-B shall not assign the contract in whole or in part and cannot sub-contract any of its obligations under this contract without prior permission in writing of Party-A.

During audit of PSDF for the years 2020-22, it was observed that M/s Hasnain Tanveer Associates was involved in subletting of training contract to third party against the contract clause referred above. The matter was inquired by the Audit Risk and Compliance Department of PSDF and it was proved that the said TSP sub-contracted the training which was a violation of business rules of PSDF. Despite this an amount of Rs 37.557 million was paid to the said TSP from February to April 2021 which was a serious lapse by the management.

Due to weak internal controls, management failed to stop the further payment after violation of contract was proved.

Audit is of the view that management granted undue benefit to the TSP which is held irregular in audit.

The matter was reported to the management and PAO on September 07, 2023 followed by subsequent reminders but no reply was received. DAC meeting was not convened by PAO despite requests by audit till finalization of this report.

Audit recommends the management to state the reason (s) for payment made to the accused TSP besides fixing responsibility.

9.2.4.22 Over payment on account of salaries and other benefits from the SYIG programme – Rs 19.222 million

According to Clause-12 (b) of PC-I of Skilling Youth for Income generation (SYIG) programme, the human resource cost will be maintained at 11% and manpower will be adjusted accordingly.

During audit of PSDF for the year 2020-22, it was revealed that PC-I of Skilling Youth for Income generation (SYIG) was approved by PDWP on September 17, 2021 at a total cost of Rs 9,900 million with gestation period of 5 years (Sept 2021 to Aug 2026). Government of the Punjab released an amount of Rs 463.757 million in first year for execution of SYIG Programme. The management incurred expenditure of Rs 538.449 million including salaries and other benefits of Rs 78.451 million. The proportion of salaries over total expenditure was 14.56% against approved limit of 11% cost of Rs 59.229 million. It showed a trend of over payment of salaries valuing Rs 19.222 million against approved limit.

Due to weak financial management an over payment of salaries expenditures of Rs 19.222 million i.e. 14.56% against the approved limit of 11%.

Audit is of the view that management failed to observed the approved limit even at the initial stage of the project and over payment of salaries of Rs 19.222 million which was held irregular by audit.

The matter was reported to the management and PAO on September 07, 2023 followed by subsequent reminders but no reply was received. DAC meeting was not convened by PAO despite requests by audit till finalization of this report.

Audit recommends the management to state the reason (s) for over spending on salaries and other benefits from the permissible limit of PC-I.

Chapter-10

Population Welfare Department

Introduction

The province of Punjab with an estimated population of over 103 million (2016) is facing the challenge to address issues like economic development and poverty reduction. While accommodating more than 50 percent of the total population with 26 percent of the land area of the country, it receives the major impact of rapid population increase. Population density at present is estimated at 490 persons/sq. km. Such a heavy load, in the backdrop of low socio-economic indicators, not only dilutes the results of development efforts, but it also creates an unacceptable level of demand on limited resources to meet the requirements of the additional population. Generating more resources for improving living conditions thus becomes a difficult task. In the past, high population growth has significantly added to the community living below the poverty line. Based on present growth patterns the population of Punjab is expected to double after 36 years. It is feared that the economy would not be able to sustain this growth, and no improvement in the quality of life seems possible even under the most favorable assumptions. The present population trend is, therefore, a matter of deep concern.

Goals

The Population Welfare Department Punjab has outlined its goals as follows:

- Stabilize population growth as an essential requirement for promoting sustainable development with equitable distribution through vigorous implementation of inter-sectoral strategies
- Reduce fertility to contain population momentum by improving access to quality of reproductive health care through integrated service delivery

- Facilitate and guide relevant sectors to achieve SDG objectives related to universal access to reproductive health care services aimed at promoting general welfare of population

Purpose/ Objectives

Moreover, the Department has stemmed its objectives which are:

- Lower wanted family size to 2.5 by 2020 through an effective population communication and education program focusing on small family size and its relationship with human welfare and environmental security
- Actively promote three Healthy Timing and Spacing of Pregnancy messages to reach out to all women by 2020
- Ensure necessary contraceptive security at all service delivery outlets for 2015-2020
- Achieve a fertility level of 3.3 births per woman by 2020
- Universal access to safe and quality family planning and reproductive health services to the most remote and far-flung areas of the Province by 2025
- Raise contraceptive prevalence rate to 60 percent by 2030
- Strive expeditiously to attain replacement level fertility of 2.1 births by 2030

Audit Profile of Population Welfare Department

(Rs in million)

Sr. No	Description	Total Nos	Audited	Expenditure audited FY 2019-20 (Rs)	Revenue/Receipt audited FY 2019-20 (Rs)
1	Formations	1	-	-	-
2	Authorities/Autonomous Bodies etc. under the PAO	-	-	-	-
3	Foreign Aided Projects (FAP)	-	-	-	-

Classified Summary of Audit Observations

Audit observations amounting to Rs NIL were raised as a result of this audit. This amount also includes recoverable sum of Rs NIL as pointed out by the audit.

Overview of the Audit Observations

(Rs in million)

Sr. No	Classification	Amount (Rs)
1.	Non-Production of record	-
2.	Reported cases of fraud/Embezzlement and Misappropriation	-
3.	Irregularities	
a.	HR/employees related irregularities	-
b.	Procurement related irregularities	-
c.	Management of Accounts with Commercial Banks	-
4.	Value for money and service delivery issues	-
5.	Other	-

*This also includes the expenditure of various projects

10.1 Punjab Population Innovation Fund (PPIF)

10.1.1 Introduction

Punjab Population Innovation Fund (PPIF) is a non-profit, public sector company, established to render financial and technical assistance to innovative projects for population planning and improving access and generating demand for family planning services. A sustainable growth in population is essential for equitable and inclusive economic growth and social development.

The principal objective of the company is to support the government of the Punjab in improving the quality of life of the people of Punjab, particularly the vulnerable and marginalized areas and sections of the population, by assisting service delivery organization in the public, non-government and private sectors to improve access, and the quality of family planning services in Punjab.

10.1.2 Comments on Audited Accounts

10.1.2.1 Working results of the Company for the year 2022-23 as compared to previous years are as under:-

(Rs in million)

	2022-23	% Inc / (Dec)	2021-22	% Inc / (Dec)	2020-21
Grant income	490.452	161.467	187.577	(10.287)	209.085
Other Income	114.414	365.173	24.596	605.565	3.486
Total	604.865	185.081	212.173	(0.20)	212.571
Program expenses	585.760	198.590	196.175	(2.726)	201.672
Admin Expenses	19.078	25.488	15.203	65.178	9.204
Bank charges	0.026	85.714	0.014	16.667	0.012
Finance Cost	0	0	0.781	(53.595)	1.683
Total	604.865	185.081	212.173	(0.20)	212.571

(Source: Annual Audited Accounts for 2022-23)

As per financial statement, opening balance of Rs 571.221 million was available under head grants related to income and Rs 500 million was received during 2022-23. Management utilized only Rs 490.111 million during the year 2022-23 leaving a balance of Rs 581.11. Project wise detail of targets and grant

received there against and the reasons for non-utilization of grant needs explanation.

10.1.2.2 Other income increase from Rs 24.59 million in 2021-22 to Rs 114.41 million in 2022-23 registering an increase of 365%. This mainly include markup on short term deposit and saving account. It showed that instead of supporting company's objectives, the management is piling up the funds in bank account which needs justification.

10.1.2.3 Mobilization advance showed an opening balance of Rs 167.546 million in 2022-23 while only Rs 50.202 million adjusted during the year and closing balance stood at Rs 125.257 million as on June 30, 2023. The advance was given at the rate of 20% to the implementation partners for project implementation. Non-adjustment of mobilization advance during the year needs justification.

10.1.2.4 Advertisement/awareness campaign and seminars expenses were also increased from Rs 15.617 million in 2021-22 to Rs 37.272 million registering a staggering increase of 138.32% which needs justification out of which Rs 1.300 million was paid to the consultant for conducting awareness session related to population control. Detail of session conducted and hiring procedure of consultant need to be shared with audit.

10.1.2.5 Under the head program cost, rent rates and taxes valuing Rs 1.354 million were in 2021-22 while Rs 8.335 million were incurred in 2022-23 registering an increase of 515.58%. Provide the detail of rent, rate and taxes for which the payment was made along with the rent assessment from excise and taxation department.

10.1.2.6 Administrative expenses increased from Rs 15.20 million in 2021-22 to Rs 19.08 million in 2022-23 registering a increase of 25.50%. This was mainly due to increase in Board meeting fee which increased from Rs 3.710 million in 2021-22 to Rs 5.380 million registering an increase of 45%. Explain the reason for increase in Board meeting fee that either the increase is due to increase in Nos. of Board meeting or increase in Board meeting fees. Approval and member wise breakup of meeting fees needs to be shared with audit.

10.1.2.7 Trade and other payables under the head current liabilities increased from Rs 78.448 million in 2021-22 to Rs 206.684 million in 2022-23 registering an increase of 163.47%. Company has huge balances in cash, bank and short term investment. Reason for piling up liability in the presence of sufficient funds in the company needs justification.

10.1.3 Compliance of PAC Directives

No PAC meeting for the years 2014-15 to 2019-20 has been convened so far.

Chapter-11

School Education Department

Introduction

The school education department of Government of the Punjab is responsible for provision of basic education related facilities, planning and monitoring of basic education and staff development related activities of the province.

Purpose/ Objectives

The main functions performed by the School Education Department are:

- Legislation, Policy Formulation and Planning in the areas of Primary education, Elementary education, Secondary and Higher Secondary education
- Maintaining Standards of Education by Formulating the curricula and syllabi up to class XII and Production and publication of text books for class I to XII
- Monitoring and Evaluation System which includes Distribution of free textbooks, Development schemes, Presence of teaching and non-teaching staff, Updation of online-access information and Redressal of public complaints.
- Promotion of Quality Education by means of Punjab education assessment system, Student assessment and terminal examination of Grade-V and VIII elementary education through Punjab Examination Commission, Grant of scholarships and Production and distribution of educational and scientific films
- Staff Development by way of Pre-service and in-service teachers training and Continuous Professional Development (CPD)

In addition to above the following other functions were also performed by the department:

- Regulatory policy concerning private sector schools
- Children libraries and libraries affiliated with Children Library Complex

- Promotion of sports in schools
- Provision of compulsory and free education to all of age 5-16 years
- The matters relating to the Punjab Danish Schools and Centers of Excellence
- To promote quality education through public-private partnership through Punjab Education Foundation
- The matters relating the Punjab Teachers' Foundation
- Budget, accounts and audit matters
- Purchase of stores and capital goods for the department
- Service matters except those entrusted to Services and General Administration Department

Governing Laws

Administration of the following laws and the rules framed there-under was also the responsibility of School education Departments:

- Charitable Endowments Act 1890 (VI of 1890)
- The Punjab Departmental Inquiries (Powers) Act, 1958
- The Punjab Government Educational and Training Institutions Ordinance 1960
- The Punjab Textbook Board Ordinance, 1962
- The West Pakistan Publication of Textbooks (Regulations and Control) Ordinance, 1970.
- The Punjab Local Councils High Schools (Taking Over) Ordinance 1970
- The Privately Managed Schools and Colleges (Taking Over) Regulation 1972
- Punjab Private Educational Institutions (Promotions & Regulations) Ordinance 1984
- Punjab Compulsory Primary Education Act 1994
- Punjab Education Foundation Act 2004.
- Punjab Danish Schools & Centre of Excellence Authority Act 2010
- The Punjab Examination Commission Act 2010 (XI of 2010).
- The Punjab Curriculum and Textbook Board Act 2015 (VI of 2015)]
- Matters incidental and ancillary to the above subjects

Presently a lot of educational institutes and District Education Authorities are under the administrative control of School Education Department. However the following entities are under the audit jurisdiction of Directorate of Commercial audit Lahore.

Formations:

- Punjab Education Foundation
- Punjab Teacher Foundation
- Punjab Education Initiatives Management Authority
- Punjab Curriculum Text Book Board

Audit Profile of School Education Department

(Rs in million)

Sr. No	Description	Total Nos	Audited	Expenditure audited FY 2021-22 (Rs)	Revenue/Receipt audited FY 2021-22 (Rs)
1	Formations	-	-	-	-
2	Authorities/Autonomous Bodies etc. under the PAO	04	02	18,005.74	13,636.77
3	Foreign Aided Projects (FAP)	-	-	-	-

Classified Summary of Audit Observations

Audit observations amounting to Rs 5,135.285 million were raised as a result of this audit. This amount also includes recoverable of Rs 32.056 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

Overview of the Audit Observations

(Rs in million)

Sr. No	Classification	Amount (Rs)
1.	Non-Production of record	-
2.	Reported cases of fraud/Embezzlement and Misappropriation	-
3.	Irregularities	
a.	HR/employees related irregularities	15.698
b.	Procurement related irregularities	344.371
c.	Management of Accounts with Commercial Banks	-
4.	Value for money and service delivery issues	4,772.716
5.	Other	2.500

11.1 Punjab Curriculum and Textbook Board (PCTB)

11.1.1 Introduction

Punjab Curriculum & Textbook Board has a vision of nation-building through quality textbook, prepared on the basis of a culture of innovation, which seeks to stimulate the learning of the students and teaching passion of the teachers. It strives to broaden the horizons of learning in order to produce minds, alive to the responsibilities and challenges of life, and also capable of meeting them.

11.1.2 Comments on Audited Accounts

The management failed to provide annual audited accounts for the years 2017-18 to 2022-23 by December 31, 2023.

11.1.3 Compliance of PAC Directives

PAC meeting for the years 2014-15 to 2022-23 were not convened.

11.1.4 Audit Paras

11.1.4.1 Irregular appointments of contingent paid staff – Rs 15.698 million

According to clause 4 (xii) of S&GAD Notification dated January 29, 2021 regarding Policy for Work charged/Contingent paid and daily wage employees, hiring of work charged, daily wages and contingent paid employees shall be made sparingly and only in the case of genuine and dire needs. In the process of hiring, the concept of equal job opportunity for all citizens and transparency shall be ensured.

During audit of Punjab Curriculum & Textbook Board (PCTB) for the year 2021-22, it was observed that the management hired 54-employees across various positions on contingent paid/daily wage basis, disregarding the directives issued by the Government. Examination of the personal files of these employees unveiled that their appointments were made without any requisition from the relevant department and without following any competitive selection process.

Due to weak HR management the irregularity occurred.

Audit is of the view that 54 employees were appointed without following the Government Instructions leading to undue favoritism and irregular salary payments amounting to Rs 15.698 million.

The matter was reported to the management and PAO on June 23, 2023. The management replied that the hiring was based on transparent manner and no contingent paid staff was hired on reference basis. The reply was not tenable as the process of hiring was not made as per instructions of the Government.

DAC in its meeting held on September 26, 2023, directed to provide evidence at the competitive hiring process to audit besides regularization from Finance within three days i.e. before finalization of minutes of DAC. The management failed to comply of DAC directives till finalization of this report.

Audit recommends compliance of DAC's directives.

Note: The issue was also reported earlier in the Audit Report for Audit Year 2019-20 vide para number 12.1.4.10 having financial impact of Rs 3.400 million. Recurrence of same irregularity is a matter of serious concern.

11.1.4.2 Loss due to procurement of paper on higher rates as compared to prevailing market rates – Rs 297.440 million

According to clause 2.10 of PFRs, same vigilance should be exercised in respect of expenditure incurred from Government revenues as a person of ordinary prudence would exercise in respect of the expenditure of his own money.

During audit of PCTB for the year 2021-22, it was noted that the management had awarded two separate contracts for the acquisition of 68 grams cream woven paper intended for single textbooks. Upon scrutiny of the records, it was found that the publishers or printers who secured the contract for Primer/Jacket procurement were using paper with identical specifications. As part of the bidding process, the publishers were required to furnish invoices from paper mills alongside their bids. Upon examination of these documents and the attached invoices from paper mills, it was revealed that the publishers had

purchased the same paper at an average cost of Rs 92,420 per ton. However, PCTB acquired this paper at a significantly higher rate of Rs 146,500 per ton. Consequently, the PCTB incurred an excessive amount of 297.440 million on the procurement of 5,500 metric tons of paper during the same period.

Due to weak internal controls, management incurred huge expenses on procurement of papers.

Audit is of the view that the management should procure the paper keeping in view the prevailing market rates to ensure the protection of the Government's financial resources.

The matter was reported to the management and PAO on June 23, 2023. The management replied that it is unfortunate fact that the publishers/printers who were awarded contract for procurement of Primer/Jacket received underpriced invoices from mills in order to evade taxation. Therefore, said rate could not be considered equivalent to market. The reply was not tenable as no proof was provided by the management in support of their reply.

DAC in its meeting held on September 26, 2023, directed the management to refer the case to Federal Board of Revenue (FBR) to take action against concerned evaders.

Audit recommends compliance of DAC's directives.

11.1.4.3 Irregular incurrence of expenditure in violation of PPRA Rules - Rs 24.901 million

According to Rule-9 of the Punjab Procurement Rules 2014, procuring agency shall announce in an appropriate manner all proposed procurements for each financial year and shall proceed accordingly without any splitting or regrouping of the procurements so planned. The procuring agency shall advertise in advance annual requirements for procurement on the website of the Authority as well as on its website.

During audit of PCTB for the year 2021-22, it was observed that management incurred an amount of Rs 24.901 million on account of repair and

maintenance of building, purchase of furniture and miscellaneous stationery items by splitting the demand in violation of procurement rules.

Due to weak procurement management, the irregularity was occurred.

Audit is of the view that had the work and procurement for the year was planned properly and was done through one time open tendering process, resultantly the benefit of economical competitive bidding could have been achieved. Thus the above stated procurement and repair work were held irregular.

The matter was reported to the management and PAO on June 23, 2023. The management replied that all the procurements were made under the limit of Rs 200,000 by collecting three quotations. The reply was not tenable as the procurement was made in piece meal in order to avoid the tendering process.

DAC in its meeting held on September 26, 2023, directed to refer the case to Finance Department for regularization of expenditure on account of purchase of goods in piece meal.

Audit recommends compliance of DAC's directives.

Note: The issue was also reported earlier in the Audit Reports for Audit Years 2019-20 and 2021-22 vide para number 12.1.4.9, 12.1.4.27 and 11.1.4.7 having financial impact of Rs 3.700 million, Rs 1.143 million and Rs 7.141 million respectively. Recurrence of same irregularity is a matter of serious concern.

11.1.4.4 Irregular hiring of individual consultants under short consultancy beyond six months – Rs 12.812 million

According to the rule-2(1)(ab) of Punjab Procurement Rules 2014, 'short consultancy' means consultancy where the cost of consultancy does not exceed one million rupees for individual consultant and five million rupees for consulting firms and duration of the short consultancies for an individual consultant shall not exceed six months.

During audit of PCTB for the year 2021-22, it was observed that management appointed individual consultants for its short-term assignments. However, some individual consultants remained appointed for more than six months by obtaining three quotations. Later on, management re-hired/extended

agreement with same individual consultants for same assignments without advertisement in violation of PPRA Rules. As the period of consultancy was beyond six months hence engagement and payment of Rs 12.812 million to individual consultants was held irregular.

Due to weak internal controls, management failed to implement PPRA Rules in letter and spirit.

Audit is of the view that provision of PPRA Rules regarding short consultancy was misused. Management should review all the cases of individual consultancy in light of PPRA Rules and decide the fate accordingly.

The matter was reported to the management and PAO on June 23, 2023. The management replied that the consultant was hired by following PPRA Rules for six months duration. Due to requirement of additional services, the consultants were re-hired after completing competitive procedure. The reply was not tenable as no process of rehiring was followed as per PPRA Rules and the same consultants were engaged again for another term.

DAC in its meeting held on September 26, 2023, directed the management to provide evidence of rehiring process of consultant to audit before finalization of minutes of the meeting. The management failed to provide rehiring process to audit till finalization of this report.

Audit recommends compliance of DAC's directives.

11.1.4.5 Irregular splitting of the procurement for development of Insaaf Academy – Rs 9.218 million

According to Rule-9 of the Punjab Procurement Rules 2014, procuring agency shall announce in an appropriate manner all proposed procurements for each financial year and shall proceed accordingly without any splitting or regrouping of the procurements so planned. The procuring agency shall advertise in advance annual requirements for procurement on the website of the Authority as well as on its website.

During audit of PCTB for the year 2021-22, it was observed that management incurred an amount of Rs 9.218 million on account of Development

of Insaaf Academy by splitting the work in two pieces in order to avoid tendering process. The work of renovation and procurements made thereon amounting to Rs 9.218 million were held irregular as due to non-advertisement, organization was deprived of competitive bidding.

Due to weak internal controls, management failed to implement PPRA Rules in letter and spirit.

Audit is of the view that award of work/procurement should have been made with open competitive bidding process as required under PPRA Rules.

The matter was reported to the management and PAO on June 23, 2023. The management replied that all procurements were made by PCTB through procurement committee which was approved by the BoG and notified by the Director Admin. The reply was not tenable as the procurement was made in violation of PPRA Rules.

DAC in its meeting held on September 26, 2023, directed the management to refer the case to Finance Department for regularization of expenditure on account of purchase of goods in piece meal and to avoid such practice in future.

Audit recommends compliance of DAC's directives.

11.1.4.6 Irregular disbursement of premier / jacket books and non-recovery of dues from Government departments - Rs 4,722.101 million

As per chapter-2 clause 10 of contract act 1872, all agreements are contracts if they are made by the free consent of parties competent to contract, for a lawful consideration and with a lawful object, and are not hereby expressly declared to be void.

During audit of PCTB for the year 2021-22, it was observed that management of the PCTB, got the books printed from the private publishers / printers on behalf of Provincial Government and other Government entities. These books were later on, handed over to various Government Department and entities. The PCTB then billed an invoice for recovery of production cost and Management and Manuscript Cost (MMC) as per rules. However, an amount of

Rs 4,722.101 million was still receivable from these Government Department / entities despite the facts that PCTB had delivered these text books at their required destination. It was also observed that Programme Monitoring & Implementation Unit (PMIU) did not pay a single penny on account of MMC fee to the PCTB since many years. It was also worth mentioning here that PCTB supplying these books to PMIU and other Government Departments without execution of any formal contract agreement and determination of terms and conditions of such supply & payments.

Due to weak financial controls, management failed to recover the cost of books from the clients.

Audit is of the view that MMC was the main source of income of the PCTB. Due to non existence of written agreement amongst the parties, the Board needed to revisit existing practice.

The matter was reported to the management and PAO on June 23, 2023. The management replied that the PCTB has been reminding PMIU repeatedly for provision of payment against MMC, however, the PMIU could not make payment in this regard.

DAC in its meeting held on September 26, 2023 directed the management to take up the matter with PMIU through administrative department for early recovery of outstanding amount.

Audit recommends compliance of DAC's directives.

Note: The issue was also reported earlier in the Audit Reports for Audit Years 2019-20 and 2021-22 vide para numbers 12.1.4.20 and 11.1.4.4 having financial impact of Rs 978.843 million and Rs 1,025.50 million respectively. Recurrence of same irregularity is a matter of serious concern.

**11.1.4.7 Non recovery / adjustment of advances granted against expenses
- Rs 32.056 million**

According to rule 2.2 of PFR-Vol-I, a simple cash book should be kept in every office receiving or disbursing money on behalf of Government regularly or frequently for recording all transactions of moneys received by Government

Servants in their official capacity. The cash book should be closed regularly and completely checked.

During audit of PCTB for the year 2021-22, it was observed that the management granted loans and advances to its employees for various expenses. However, the staff had neither returned nor adjusted the loans amounting to Rs 32.056 million by the end of the financial year.

Due to poor financial management, a huge amount remained unadjusted till to date.

Audit is of the view that temporary advances granted against expenses must be adjusted at the end of each year.

The matter was reported to the management and PAO on June 23, 2023. The management replied that PCTB has adjusted Rs 11.146 million whereas PCTB has issued final notices for recovery of remaining Rs 21.734 million to the employees. The reply was not tenable as the management failed to recover/adjust the whole amount.

DAC in its meeting held on September 26, 2023, directed the management that the advance amount of Rs 32.880 million be recovered/adjusted from concerned within 30 days.

Audit recommends compliance of DAC's directives.

Note: The issue was also reported earlier in the Audit Report for Audit Year 2019-20 vide para number 12.1.4.7 having financial impact of Rs 4.453 million. Recurrence of same irregularity is a matter of serious concern.

11.2 Punjab Education Foundation

11.2.1 Introduction

Punjab Education Foundation (PEF) was established as a corporate body under Punjab Education Foundation Act 1991, to promote education especially in rural areas. The Foundation was restructured under Punjab Education Foundation Act 2004. It is funded by grant from Federal and Provincial Governments, Local Bodies, donations and interest income from investment of funds. Main functions of the Foundation are to;

- i. Provide financial assistance for the establishment, expansion and improvement of educational institutions and allied projects.
- ii. Provide incentives to students, teachers and educational institutions.
- iii. Promote public private partnership relating to education.
- iv. Provide technical assistance to educational institutions.
- v. Assist educational institutions, capacity building including training of teachers etc.

11.2.2 Comments on Audited Accounts

11.2.2.1 The Foundation failed to provide the annual audited accounts for the year 2020-21 and 2022-23 by December 31, 2023.

11.2.2.2 Working results of the Foundation for the year 2019-20 as compared to previous years are as under:-

(Rs in million)					
Particulars	2019-20	% Inc/ (Dec)	2018-19	% Inc/ (Dec)	2017-18
Income					
Amortization of deferred credits	17,446.538	(8.17)	18,999.619	5.55	17,999.848
Other income	898.996	88.30	477.419	35.14	353.284
Total income	18,345.535	(5.81)	19,477.038	6.12	18,353.132
Expenditure					
Program expenditure	16,780.702	(8.70)	18,380.684	2.14	17,995.883
Human Resource cost	574.973	11.37	516.264	14.71	450.056

Administrative and general expenses	90.827	(11.41)	102.530	5.09	97.564
Finance charges	0.024	(27.27)	0.033	(99.83)	19.180
Other expenses	0.011	(89.72)	0.107	(95.84)	2.575
Total expenses	17,446.538	(8.17)	18,999.619	2.34	18,565.258
Surplus/(deficit) before taxation	898.996	88.30	477.419	-	(212.127)

(Source: Annual Audited Accounts for the year 2019-20)

Cash and bank balances increased to Rs 4,533.199 million in 2019-20 from Rs 208.643 million in 2018-19 registering an increase of 2073%. It was found that management placed these funds in savings accounts. Management is stressed upon to calculate its working capital requirement and invest funds in short term investment to get better rate of return. Reason (s) may be explained for non-investment of funds in TDR

11.2.2.3 Foundation stock for text book was increased to Rs 558.077 million in 2019-20 from Rs 14.102 million in 2018-19 registering an increase of 3857%. As the scope of foundation remain same. Reason for such extra ordinary increase in text book stock along with the PEF partner school to whom these books disbursed need to be shared with audit.

11.2.2.4 Foundation advance tax receivable stood at Rs 5.625 million during 2019-20 and 2018-19. No movement during the year was found. Management is stressed upon to take the matter with FBR for early adjustment of advance tax.

11.2.2.5 Unamortized grant in aid increased to Rs 1,789.394 million in 2019-20 from Rs 758.307 million in 2018-19 registering an increase of 136%. It showed that company failed to achieve the conditions for amortization of grant in aid. Reason for non-amortization of grant in aid and plan for amortization of grant need to be shared with audit.

11.2.2.6 The foundation established funds related to Gratuity, pension, general provident fund and benevolent fund for the benefit of its employees. The liability under the fund increased to Rs 428.169 million in 2019-20 from Rs 365.335 million in 2018-19 registering an increase of 17%. However, to meet the obligation company placed funds in fund related account with balances just Rs 27.674 million in 2019-20 and Rs 30.798 million in 2018-19. The income from such funds were taken to other income of the foundation. Management is

stressed upon to match the liability with the assets of the said fund and establish trust for sustainability of these funds.

11.2.3 Compliance of PAC Directives

Audit Report	Total Paras	Compliance received	Compliance not received	Percentage of compliance
1994-95	1	1	0	100%
1995-96	7	6	1	86%
1996-97 to 1999-00	17	17	0	100%
2000-01	3	1	2	33%
2001-02	2	2	0	100%
2005-06	4	0	4	0%
2006-07	5	5	0	100%
2009-10	2	2	0	100%
2010-11	6	3	3	50 %
2011-12	14	0	14	0%
2012-13	14	6	8	43%
2013-14	14	14	0	100%
Total	89	57	32	64 %

The overall compliance of PAC directive was not satisfactory. The same needs to be improve by the PAO.

11.3 Punjab Teachers Foundation

11.3.1 Introduction:

Punjab Teachers Foundation was formed in 1990 vide Notification No.SOWF-III-34/90 under the sub-section (1) of Section 5 of The Charitable Endowments Act 1890 for the benefit of serving and retired teachers of Government of the Punjab Education Department. Foundation issues scholarships and grants for the study at schools, and colleges. The charitable Foundation (PTF) helps out to the teachers' community with the different schemes. The welfare is conducted through health care, Financial Assistance/ medical facilities and cash awards to teachers on the basis of good results in government schools and colleges.

11.3.2 Comments on Audited Accounts

The management failed to provide annual audited accounts for the years 2017-18 to 2022-23 by December 31, 2023.

11.3.3 Compliance of PAC Directives

PAC meeting for the years 2014-15 to 2022-23 were not convened.

11.3.4 Audit Paras

11.3.4.1 Less utilization of funds against Hepatitis-C Patients – Rs 18.560 million

According to Notification No.SOWF-III-3-4/90 dated February 27, 1990, Punjab Teachers Foundation (PTF) was established with the core objective to help out the teacher's community with the different welfare schemes of health care, financial assistance and medical facilities.

During audit of Punjab Teachers Foundation for the years 2015-22, it was observed that the Committee of Administration sanctioned an amount of Rs 22.000 million over the past five fiscal years (2015-16 to 2019-20) for the "Financial Assistance Scheme to the patients of Hepatitis-C." However, only Rs 3.440 million of this allocation could be utilized. Further, probe into the

matter revealed that applications were invited in November to December each year, rather than at the commencement of the financial year. Consequently, a substantial amount of Rs 18.560 million remained underutilized due to the delayed initiation of the application process.

Due to weak internal and managerial controls were the cause of less utilization of allocated funds for the welfare of teachers.

Audit is of the view that benefits of scheme should be passed on to the deserving class by adopting the modern means of communication.

The matter was reported to the management and PAO on June 23, 2023. The management replied that modern means of communication were adopted and SED was taken in loop. Reply was not convincing as funds could not be utilized as allocated by the Committee of Administration.

DAC meeting held on September 19, 2023 directed that a strategy/comprehensive business plan may be devised and then forwarded to the Administrative Department for its approval.

Audit recommends the compliance of DAC's directives.

Note: The issue was also reported earlier in the Audit Report for Audit Year 2013-14 vide para number 2.2.3.2 having financial impact of Rs 97.80 million. Recurrence of same irregularity is a matter of serious concern.

11.3.4.2 Loss of revenue due to non-utilization of land – Rs 2.500 million

According to PAC-II directions dated December 22, 2017, the Principal Accounting Officer (PAO) was to ensure the utilization of agricultural land. Further, probe into the matter revealed that the funds could be received from the Finance Department.

During audit of PTF for the years 2015-22, it was observed that designated land remained unutilized, despite a lapse of more than six years since the issuance of directives by PAC – II. Further probe into the matter revealed that implementation of the project was under process due to non-release of funds from the Finance Department. Consequently, the land remains unutilized despite the issuance of directives by PAC-II.

Due to weak managerial controls, land could not be utilized.

Audit is of the view that compliance of PAC-II directives was required to be implemented in letter and spirit.

The matter was reported to the management and PAO on June 23, 2023. The management replied that the matter was kept pending till the approval of Punjab Teaching Faculty Welfare Foundation Act. Audit contended that compliance of PAC directives may be implemented immediately.

DAC meeting held on September 19, 2023 directed the management to prepare a comprehensive plan for utilization of land and then forward it to the Administrative Department for inclusion in Annual Development Program (ADP) schemes.

Audit recommends the compliance of DAC's directives.

Note: The issue was also reported earlier in the Audit Report for Audit Year 2013-14 vide para number 2.2.3.3 having financial impact of Rs 1.50 million. Recurrence of same irregularity is a matter of serious concern.

Chapter-12

Specialized Healthcare and Medical Education Department

Introduction

Specialized Healthcare & Medical Education Department delivers quality healthcare services to the community through an efficient and effective service delivery system that is accessible, equitable, culturally acceptable, affordable and sustainable. Specialized Healthcare & Medical Education Department aims to improve the health and quality of life of all, particularly women and children, through access to essential health services. Specialized Healthcare & Medical Education Department strives to reform and strengthen the critical aspects of the health systems.

Aim & Objectives

- Provide and deliver a basic package of quality essential health care services
- Develop and manage competent and committed health care providers
- Generate reliable health information to manage and evaluate health services
- Adopt appropriate health technology to deliver quality services
- Finance the costs of providing basic health care to all
- Reform the health administration to make it accountable to the public

Governing Laws

Pakistan College of Physician & Surgeons Ordinance, 1962

Eye Surgery (Restriction) Ordinance, 1960

Medical and Dental Council Ordinance, 1962

Pharmacy Act, 1967

Punjab Health Foundation Act, 1992

Mental Health Ordinance for Pakistan, 2001

University Of Health Sciences Lahore Ordinance, 2002

Formations:

Punjab Pharmacy Council
Punjab Health Foundation
Punjab Health Initiative Management Company

(Rs in million)

Sr.No	Description	Total Nos	Audited	Expenditure audited FY 2022-23 (Rs)	Revenue/Receipt audited FY 2022-23 (Rs)
1	Formations	01	-	-	-
2	Authorities/Autonomous Bodies etc. under the PAO	03	01	87.43	96.10
3	Foreign Aided Projects (FAP)				

Classified Summary of Audit Observations

Audit observations amounting to Rs 27.526 million were raised as a result of this audit. This amount also includes recoverable of Rs 6.571 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rs in million)

Sr.No	Classification	Amount (Rs)
1.	Non-Production of record	-
2.	Reported cases of fraud/Embezzlement and Mis-appropriation	-
3.	Irregularities	
a.	HR/employees related irregularities	20.955
b.	Procurement related irregularities	-
c.	Management of Accounts with Commercial Banks	-
4.	Value for money and service delivery issues	-
5.	Other	6.571

12.1 Punjab Health Initiative Management Company

12.1.1 Introduction

Punjab Health Initiative Management Company was incorporated on February 07, 2015 as a company limited by guarantee and not having share capital under Section 42 of the Companies Ordinance 1984 (now Companies Act 2017). The company has been registered with the Registrar Joint Stock Company, City District Government Lahore.

The principal objective of the company is management of special initiatives in health sector including improving universal health coverage/insurance for the benefit of people living across province of Punjab. The registered office of the Company is situated at H-42/D-E-1, Ghalib Road, Gulberg-III, Lahore.

12.1.2 Comments on Audited Accounts

12.1.2.1 The working results of the company for the year ended June 30, 2023 as compared to the previous years are as under:

(Rs in million)					
	2022-23	% Inc/ (Dec)	2021-22	% Inc/ (Dec)	2020-21
Income					
Grant related to income	120,053.714	126.34	53,041.44	446.832	9,699.761
Grant related to assets	6.610	115.31	3.07	(25.630)	4.128
Unspent Insurance Premium	-	-	-	(100.000)	1,146.380
Other income	854.744	12.06	762.769	672.338	98.761
Total Income	120,915.068		53,807.28	391.434	10,949.030
Expenditure:					
Program cost	120,672.963	124.96	53,640.99	395.756	10,820.044
Salaries and other benefits	183.089	48.30	123.461	30.587	94.543
Other operating expenses	55.440	30.82	42.378	28.278	33.036
Finance cost	0.015	37.61	0.0109	(98.682)	0.827
Total expenditure	120,911.507	-	53,806.84	391.456	10,948.450
Surplus/ (deficit) for the year	3.562	-	0.442	(23.793)	0.580

(Source: Annual Audited Accounts for 2022-23)

Cash and bank balance stood at Rs 2,057.321 million as on June 30, 2023. These funds were placed in saving account carrying interest @ 12.25% to 19.5%. Company failed to compute its working capital requirement. However, audit computed the working capital requirement which was Rs 28.957 million (Rs 51,791.351- 51,762.393). It showed the inefficiency for handling funds on the part of management. Management need to fix responsibility and compute its working capital requirement for 2023-24 and invest surplus funds in TDRs to get better return on its funds.

12.1.2.2 Company purchased vehicles for Rs 28.236 million during 2022-23. Explain the reason (s) that whether company purchased these vehicle after need assessment. Approval from the austerity company needs to be shared with the audit.

12.1.2.3 Special Claims of insurance premium for Sehat Sahulat Program increased from Nil in 2021-22 to Rs 562.426 million in 2022-23. Breakup of the said amount and justification for such increase needs to be shared with audit.

12.1.2.4 The advertisement and publicity expenses increased from 132.085 million in 2021-22 to Rs 205.514 million in 2022-23 registering an increase of 55.59%. These expenses were required to be incurred in the beginning of a program but this increase during the year 2022-23 need justification.

12.1.2.5 Insurance premium for Sehat Sahulat Program increase from Rs 52,367.43 million in 2021-22 to Rs 119,666.03 million in 2022-23 registering an increase of 128.51%. If per person insurance premium was fixed then the factors causing the increase of 128.51% needs clarification.

12.1.2.6 Profit on bank account increased from Rs 762.769 million in 2021-22 to Rs 854.502 million 2022-23 registering an increase of 12% while bank balances increased from Rs 1,200.610 million in 2021-22 to Rs 2,057.321 million 2022-23 registering an increase of 71%. Reason for disproportionate increase in profit needs justification.

12.1.2.7 Creditors against services were increased from Rs 24.133 million in 2021-22 to Rs 249.771 million in 2022-23 registering an increase of 934.93 %. Piling up of liability despite availability of surplus funds needs justification.

12.1.2.8 Unspent premium under the head current assets was receivable from State Life Insurance Corporation (SLIC) stood at Rs 886.409 million during 2022-23. As per the terms of contract the payment of any unspent premium to the company was dependent on continuation of business for three years and acknowledgment of same by the SLIC. This amount was calculated for the period Oct 21, 2016 to May 15, 2021. No adjustment was made during 2022-23. State the reason (s) for non-adjustment of said amount along with the acknowledgment of SLIC for acceptance of such claim.

12.1.3 Compliance of PAC Directives

No PAC meeting for the years 2014-15 to 2019-20 has been convened so far.

12.2 Punjab Health Foundation

12.2.1 Introduction

Punjab Health Foundation (PHF) is a corporate body established under Punjab Health Foundation Act 1992. The objectives of the Foundation are to:-

- i. Provide loans to doctors for setting up clinics
- ii. Provide loans to health institutions for promotion of health services
- iii. Establish health institutions and allied projects.

12.2.2 Comments on Audited Accounts

12.2.2.1 The Foundation failed to submit the annual audited accounts for the year 2014-15 to 2022-23 but not received till to December 31, 2023 .

12.2.3 Compliance of PAC Directives

Sr. No.	Years	Total Paras	Compliance Received	Compliance Not Received	%age of compliance
1	1999-00	3	1	2	33%
2	2000-01	10	5	5	50%
3	2001-02	5	4	1	80%
4	2006-07	9	6	3	66%
5	2009-10	5	5	-	100%
Total		32	21	53	80%

The compliance with PAC directives in the Health Department for the years 1999-2000, 2000-01, 2006-07 was not satisfactory and requires special attention of the PAO.

12.2.4 Audit Paras

12.2.4.1 Irregular payment of annual increments, special PHF allowance to the contract employees – Rs 11.066 million

According to clause XIII Pay Package of contract appointment policy 2004, where appointment is made on pay package other than the pay & allowances prescribed under the National Pay Scales. Annual increment, shall not be allowed unless specifically provided in the pay scale. Furthermore, any special relief given to the regular employees shall not be admissible.

During audit of Punjab Health Foundation (PHF) for the years 2020-2022, it was observed that the foundation had appointed twenty-eight (28) employees on contract basis during the period from June 2018 to August 2020. As per terms and conditions of the contract appointment policy the employees were hired on market based salary and no increase or any allowance was allowed during the contract period. Contrary to that management of PHF allowed their contract employees annual increment @10% and Special PHF allowance against the spirit of contract employment policy 2004. An amount of Rs 11.066 million was paid to PHF contract employees as per details given below:

Year	10% Annual Increments (Rs)	Special PHF allowance (Rs)	(Rs in million)
			Amount (Rs)
2020-2021	2.292	NIL	2.292
2021-2022	3.229	NIL	3.229
2022-2023	3.385	2.160	5.545
Total			11.066

Due to weak financial management, an irregular payment was made to contract employees.

Audit is of the view that due to violation of Contract Appointment Policy, an undue increment / increase was granted to contract employees, which should be stopped immediately and over payment be recovered from the concerned employees.

The matter was reported to the management and PAO on October 25, 2023. The management replied that the appointment of employees on a contract basis during the period from June 2018 to August 2020 was carried out with due approval from the competent authorities. The reply was not convincing as the said employees were appointed on pay package other than the pay & allowances prescribed under the National Pay Scales.

DAC in its meeting held on January 16, 2023 directed the management to get the matter regularized from Finance Department.

Audit recommends the compliance of DAC's directives.

12.2.4.2 Irregular appointment of Senior Manager Project Development - Rs 9.889 million

As per rule 2.33 of the Punjab Financial Rules, every Government servant should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part, and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government servant to the extent to which it may be shown that he contributes to the loss by his own action or negligence.

During audit of PHF for the years 2020-22, it was observed that Mr. Syed Jaffar Mehdi was appointed as Senior Manager Project Development on February 22, 2018, and was terminated from PHF service on November 30, 2020 on account of misconduct and concealment of facts. The officer was previously terminated from Department of Primary & Secondary Health Care Department on June 08, 2017 on account of misconduct and inefficiency. Hence, payment of Rs 9.888 million during the period from December 2017 to November 2020 was held irregular.

Due to weak internal controls, verification of credentials and previous employment record was not made.

Audit is of the view that management has not ensured due diligence while making the appointment of officer.

The matter was reported to the management and PAO on October 25, 2023. The management replied that the candidate has provided experience certificate of previous employment which shows his satisfactory employment history. The reply was not convincing as no verification of previous service history was made before appointment.

DAC in its meeting held on January 16, 2023 directed the management to produce original record regarding appointment and subsequent termination to audit for verification.

Audit recommends the compliance of DAC's directives.

12.2.4.3 Non recovery from doctors due to mis-utilization of loan – Rs 6.571 million

According to Rule 10(1) of the Punjab Health Foundation (Provision of Grants/loans and Lease of Land) Rules 1993, the assistance provided by the foundation shall be utilized only for the purpose for which it has been made available and the assets raised through such assistance shall not be used for any other purpose.

During audit of PHF for the years 2020-22, it was observed that the management disbursed loan to 12 doctors under Scheme 3. These doctors did not utilize the loan for the purpose for which it was granted. The field inspection teams of PHF confirmed the mis-utilization of loans to the tune of Rs 6.571 million. Detail is in **Annex-25**.

Due to weak monitoring mechanism, management failed to recover mutualized loan.

Audit is of the view that the management was required to properly monitor the loanees regarding utilization of loan but same was not done.

The matter was reported to the management and PAO on October 25, 2023. The management replied that recovery wing has been conducting meetings with concern authorities to recover the penalty from loanees. The reply was not convincing as no recovery was made despite laps of considerable time a very meager amount was recovered.

DAC in its meeting held on January 16, 2023 directed the management to pursue the recovery cases and take appropriate action for mis-utilization of loans.

Audit recommends the compliance of DAC's directives.

Note: The issue was also reported earlier in the Audit Report for Audit Year 2020-21 vide para number 11.2.4.6 having financial impact of Rs 6.256 million. Recurrence of same irregularity is a matter of serious concern.

12.2.4.4 Non auction of properties despite issuance of recovery certificates from Revenue Department - Rs 26.480 million

According to Rule-11 of the Punjab Health Foundation (Provision of Grants/loans and Lease of Land) Rules 1993, in case any recipient does not repay the loan according to the agreed repayment schedule and other terms and conditions of the contract, the Foundation may, in addition to any other action, forfeit the securities.

During audit of PHF for the years 2020-22, it was observed that recovery certificates had been issued against several defaulters from revenue department. As per procedure, the properties of said loanees should have been auctioned through revenue department to recover the dues of PHF as arrear of land revenue, however said properties had not been auctioned since long. Detail is in **Annex-26**.

Due to weak financial management, the properties could not be auctioned till date resulting into blockage of funds.

Audit is of the view that management should take up the matter as top priority so that the said amount could be recovered and utilized.

The matter was reported to the management and PAO on October 25, 2023. The management replied that recovery wing was arranging monthly meetings with concerned authorities to recover the defaulted amount from loanees. The reply was not convincing as amount could not be recovered despite issuance of recovery certificates by revenue department.

DAC in its meeting held on January 16, 2023 directed the management to pursue the matter with Revenue Department for early recovery through administrative department.

Audit recommends the compliance of DAC's directives.

Note: The issue was also reported earlier in the Audit Report for Audit Year 2013-14 vide para number 4.1.4.2 having financial impact of Rs 7.80 million. Recurrence of same irregularity is a matter of serious concern.

12.2.4.5 Loss due to non-completion of the ERP Project by the vendor and non-imposition of penalty - Rs 4.514 million

According to clause-6 of the contract for procurement of ERP, loaning system and implementation services between M/s Abacus Consulting and PHF, the estimated duration of the contract was 120 days as mentioned in clause-3.19 of the contract documents. Further, according to clause-3.20, payments will be made by PHF against the invoice raised by the vendor by following the procedure in vogue against each milestone completed.

During audit of PHF for the years 2020-22, it was observed that BoD in its 26th meeting held on November 09, 2018 approved the implementation of ERP system for processing of loans, finance and accounts management, asset management, payroll and receivable management. M/s Abacus Consulting quoted lowest rate of Rs 3.570 million for ERP system. The management entered into contract with vendor on December 02, 2019 with a completion period of 120 days upto April 01, 2020. The management of PHF made a payment of Rs 4.515 million to the consultant but the system could not be implemented till date. Further, the ERP system and respective licenses had expired due to non payment of license fee even before implementation of the system .

Due to weak contract and financial management, ERP system could not be implemented despite payment of huge funds.

Audit is of the view that the management was required to get the system implemented within stipulated timelines which was not done.

The matter was reported to the management and PAO on October 25, 2023. The management replied that numerous meetings were conducted with the

vendor but the consultant was of the view that certain changes were required in data base which were not part of original scope. The reply was not convincing as management failed to work out actual requirement of data before entering into contract.

DAC in its meeting held on January 16, 2023 directed the management to probe the matter within 30 days and place the matter before BoD regarding poor planning by IT team and non-formation of deliverables before making payment.

Audit recommends the compliance of DAC's directives.

12.2.4.6 Non forfeiture of securities of the defaulter loanees – Rs 1.768 million

According to Rule-11 of the Punjab Health Foundation (Provision of Grants/loans and Lease of Land) Rules 1993, in case any recipient does not repay the loan according to the agreed repayment schedule and other terms and conditions of the contract, the Foundation may, in addition to any other action, forfeit the securities.

During audit of PHF for the years 2020-22, it was observed that various doctors failed to repay loan installments on due dates. Management issue several notices to these doctors but failed to take strict action i.e. forfeiture of securities. As a result, an amount of Rs 1.768 could not be recovered.

Due to weak financial management, loan amount could not be recovered till date.

Audit is of the view that the management was required to forfeit the securities of the defaulters but same was not done despite lapse of considerable time.

The matter was reported to the management and PAO on October 25, 2023. The management replied that efforts are being made to recover the outstanding dues. The reply was not convincing as PHF failed to recover the outstanding amount despite lapse of considerable time.

DAC in its meeting held on January 16, 2023 directed the management to pursue recovery case and place the matter for amendment in provisions of PHF

Act to made the Foundation self-reliant in forfeiture of securities before BoD in order to resolve the issue once for all.

Audit recommends the compliance of DAC's directives.

Chapter-13

Technical Education and Vocational Training Authority (TEVTA)

Introduction

Technical Education and Vocational Training Authority, (TEVTA) is a corporate body established under the Punjab Technical Education and Vocational Training Authority Ordinance, 1999.

Purpose/ Objectives

The principal objectives of the Authority are to administer, coordinate, supervise and provide guidelines for smooth functioning of Polytechnics Colleges and Technical & Vocational Training Centers etc. In pursuance of the TEVTA Ordinance all the Polytechnics Colleges and Technical & Vocational Training Centers etc. under the administrative control of various Government departments including Service and Training Centers of Punjab Small Industries Corporation (PSIC) transferred to TEVTA on June 5, 1999 or thereafter.

Audit Profile of Technical Education and Vocational Training Authority

(Rs in million)					
Sr. No	Description	Total Nos	Audited	Expenditure audited FY 2021-22 (Rs)	Revenue/Receipt audited FY 2021-22 (Rs)
1	Formations	-	-	-	-
2	Authorities/Autonomous Bodies etc. under the PAO	01	01	13,635.04	12,242.33
3	Foreign Aided Projects (FAP)	-	-	-	-

Classified Summary of Audit Observations

Audit observations amounting to Rs 255.551 million were raised as a result of this audit. Summary of the audit observations classified by nature is as under:

Overview of the Audit Observations

(Rs in million)

Sr. No	Classification	Amount (Rs)
1.	Non-Production of record	-
2.	Reported cases of fraud/Embezzlement and Misappropriation	57.734
3.	Irregularities	
a.	HR/employees related irregularities	42.870
b.	Procurement related irregularities	36.332
c.	Management of Accounts with Commercial Banks	-
4.	Value for money and service delivery issues	-
5.	Other	118.615

13.1 Technical Education and Vocational Training Authority (TEVTA)

13.1.1 Introduction

Technical Education and Vocational Training Authority, (TEVTA) is a corporate body established under the Punjab Technical Education and Vocational Training Authority Ordinance, 1999. The principal activity of the Authority is to administer, coordinate, supervise and provide guidelines for smooth functioning of Polytechnics & Commercial Training Institutes/Colleges and Technical & Vocational Training Centers etc. In pursuance of the TEVTA Ordinance all the Polytechnics & Commercial Training Institutes/Colleges and Technical & Vocational Training Centers etc. under the administrative control of various Government departments including Service and Training Centers of Punjab Small Industries Corporation (PSIC) were transferred to TEVTA on June 5, 1999 or thereafter.

13.1.2 Comments on Audited Accounts

The management failed to provide the annual audited accounts for the years 2017-18 to 2022-23 by December 31, 2023.

13.1.3 Compliance of PAC Directives

Audit Report	Total Paras	Compliance received	Compliance not received	Percentage of compliance
2006-07	6	2	4	33%
2009-10	3	1	2	33%
2011-12	23	08	15	35%
2012-13	21	5	16	23%
2013-14	41	10	31	24%
2016-17	01	01	0	100%
Total	31	9	22	29%

Overall compliance of the PAC directives was only 29 % which was very poor and need special attention of PAO.

13.1.4 Audit Paras

13.1.4.1 Non-recovery of proven irregularities and embezzlement – Rs 57.734 million

According to clause-1 of the TEVTA Financial Guidelines dated: September 07, 2018, in incurring and sanctioning expenditure from the Government Fund, the following fundamental canons of financial propriety shall be observed. Same vigilance should be exercised in respect of expenditure incurred from Government revenues, as a person of ordinary prudence would exercise in respect of the expenditure of his own money.

During audit of Technical Education & Vocational Training Authority (TEVTA), Head Office, Lahore for the year 2022-23, it was observed that various irregularities, poor administration, gross negligence, financial loss, cash embezzlement and corruption in handling of financial matters were proved against employees of different colleges, institutions i.e. GCT, Muzaffargarh, GCT Multan, GSTC, Mughalpura, GTTC Isa Khel and GCT Bahawalpur. Hence, an amount of Rs 57.734 million stands recoverable from employees. Detail is in **Annex-27**.

Due to poor managerial and financial controls, the recovery of embezzled amount of Rs 57.734 million could not be effected completely which showed lack of internal control over the field offices.

Audit is of the view that when the embezzlement proved against the accused then the recovery must have been made from them by the management but the same was not done.

The matter was reported to the management and PAO on December 14, 2023. The management replied that 53 number of inquiry cases were pointed out in the audit para. Out of these, 44 cases have already been finalized whereas 9 cases are still in process. Major penalties involving recoveries were awarded in only 11 cases. The recoveries are under process.

DAC in its meeting held on January 12, 2024, directed the management to expedite the recovery and get it verified from audit.

Audit recommends the compliance of DAC's directives.

Note: The issue was also reported earlier in the Audit Report for Audit Year 2021-22 vide para number 15.1.4.2 having financial impact of Rs 17.574 million and in the Audit Report for Audit Year 2014-15 vide para number 11.1.4.1 having financial impact of Rs 2.40 million. Recurrence of same irregularity is a matter of serious concern.

13.1.4.2 Undue payment in the name of employees at TEVTA Secretariat –Rs 33.779 million

According to clause-1 of the TEVTA Financial Guidelines dated: September 07, 2018, in incurring and sanctioning expenditure from the Government Fund, the fundamental canons of financial propriety shall be observed and same vigilance should be exercised in respect of expenditure incurred from Government revenues, as a person of ordinary prudence would exercise in respect of the expenditure of his own money.

During audit of TEVTA for the year 2022-23, it was observed that huge payment was made under the head advances against expenses to employees. When vouchers of the said head were checked it was found that management issued cheques in favor of three employees instead of the supplier(s). An amount of Rs 33.779 million was made to the following employees:

Sr No.	Name of employees	Designation
1	Muhammad Safdar	Caretaker
2	Muhammad Ashfaq	Admin staff
3	Muhammad Umair	Admin staff

When adjustment of these vouchers were checked, it was found that no requisition of work, work estimate and inspection reports of work done was attached with the vouchers. However, invoices of unregistered/ unauthentic supplier were submitted to adjust their advance. No reconciliation was made by the management to settle the advance as an amount of Rs 4.558 remained unsettled till the close of financial period.

Weak internal controls and poor financial management resulted into undue payment.

Audit is of the view that the management needs to stop such practice at once. As huge payment at the disposal of employees and their adjustment via unregistered and unauthentic supplier invoices created doubts about the embezzlement of Government funds which needs to be investigated.

The matter was reported to the management and PAO on December 14, 2023. The management replied that due to paucity of time and to meet timelines for completion of work, advance payments were solicited. The reply of the management is not tenable as paucity of time is not a reason for ignorance of codal formalities.

DAC in its meeting held on January 12, 2024, directed the management to hold a fact finding enquiry for incurring of expenditure by issuing cheque in the name of employees and verify the adjustment of advance from audit.

Audit recommends the compliance of DAC's directives.

13.1.4.3 Irregular hiring of visiting faculty having irrelevant qualification and without merit list – Rs 3.255 million

According to clause (C) TEVTA Service Regulation, the qualification criteria for distribution of marks is given as under:

Area for Marks	Qualification	Additional Qualification	Experience	Interview	Total
Maximum Marks	50	10	10	30	100

During audit of TEVTA Government Technical Training Institute, Khanewal road, Multan for the year 2022-23, it was observed that the management hired visiting faculty for regular and short courses. While scrutiny of their personal files revealed that management extended undue favor to the hired staff because many of them have irrelevant qualification and person with relevant qualification was ignore. Further, all recruitment was made purely on interview basis not following the above mentioned criteria which made all recruitment irregular. Further, some staff with relevant qualification was hired in other institutes without following the criteria mentioned above. Hence, hiring of

visiting staff and payment made to them Rs 3.255 million is considered irregular. Detail is in **Annex-28**.

Poor recruitment process and bad intentions on the part of management resulted into hiring of staff without following proper procedure.

Audit is of the view that the management was required to hire staff by following laid down procedure in the TSR and select the one having higher qualification.

The matter was reported to the management and PAO on December 14, 2023. The management replied that the candidate was hired after fulfilling all the formalities i.e. advertisement, short listing, interview and considering qualification of selected candidate. The reply was not convincing as merit list prepared by the management was not as per the TEVTA Service Regulations.

DAC in its meeting held on January 12, 2024, directed the management to verify from the record that TEVTA Service Regulation criteria was followed and grounds on which other candidates were rejected. The management did not provide the record to audit for verification till finalization of this report.

Audit recommends the compliance of DAC's directives.

Note: The issue was also reported earlier in the Audit Report for Audit Year 2021-22 vide para number 15.1.4.8 having financial impact of Rs 2.356 million. Recurrence of same irregularity is a matter of serious concern.

13.1.4.4 Loss due to non-deduction of conveyance charges and house repair & maintenance charges – Rs 2.920 million

According to Finance Department notification dated December 04, 2012, it is clarified that the employees who are residing in the residential colonies situated within the work premises are not entitled to the facility of Conveyance Allowance. Further, repair and maintenance charges needs to be deducted @ 5% of basic salary of the employees.

During audit of TEVTA, Government College of Technology, Multan for the year 2022-23, it was observed that 82 accommodations were present in the staff colony at GCT, Multan. When allotment file of residents were checked it

was found that deduction was not made as required under the rule. Conveyance allowance was being deducted from monthly salary of TEVTA employees only but said deduction was not being made against civil employees. Further, 5% deduction was required to be made from the employees as repair charges and in case accommodation was allotted above the scale than amount was deducted @ 10%. But deduction of Rs 2.920 million was also not made as per rules. The detail of employees whose conveyance allowance was not deducted is in **Annex-29**.

Due to poor internal controls, the authority sustained loss.

Audit is of the view that due to non-deduction of conveyance allowance and less recovery of house maintenance charges TEVTA sustained loss.

The matter was reported to the management and PAO on December 14, 2023. The management replied that the matter was taken up with the District Account office 2014 but they did not deduct this allowance which seems it was justified in the eyes of District Account office Multan. The reply was not convincing as no concrete efforts were made by the management for deduction of conveyance allowance. Further accommodations were merged without any notification from building department.

DAC in its meeting held on January 12, 2024 directed the management to get it notified from building department for merger of quarter and effect recovery pointed out by the audit.

Audit recommends the compliance of DAC's directives.

13.1.4.5 Unjustified payment of POL to employees having motor bikes without entitlement – Rs 2.916 million

According to TEVTA Service Regulations, no mechanism is present for allotment of motor bikes to employees.

During audit of TEVTA, Lahore for the year 2022-23, it was observed that the management allotted 44 motor bikes to its employees having fuel limit of 25 to 45 liters each. In response, duty slips/log book was demanded from the management but the same was not provided till the completion of audit which

indicated that these bikes were issued to staff who are using it for their personal consumption and no such provision was found in the service regulations. Hence, payment made to fuel agency amounting to Rs 2.916 million ($12 \times 200 \times (45 \times 4 + 35 \times 1 + 25 \times 40)$) in the form of petrol bills during 2022-23 were considered unjustified.

Due to poor internal controls, employees of TEVTA availed the facility of vehicle and fuel without deducting their conveyance allowance which was a serious lapse on the part of TEVTA.

Audit is of the view that the management was required to devise a mechanism to allocate motor bikes to its employees which was not done.

The matter was reported to the management and PAO on December 14, 2023. The management informed that these bikes are not meant for personal mobility but for the performance of official chores. The reply of the management is not convincing as no log book of motor bikes was maintained as required for pool vehicles and these bikes were not parked at office after official hours.

DAC in its meeting held on January 12, 2024 directed the management to share detail of allotment of motor bikes and develop a mechanism for issuance of motor bikes besides recovery of conveyance allowance.

Audit recommends the compliance of DAC's directives.

13.1.4.6 Irregular procurement of buses against the technical specifications of approved PC-I - Rs 30.500 million

According to approved PC-I for establishment of Government Polytechnic Institute Tranda Muhammad Pannah, 02 Hino buses were to be purchased with 72 seating capacity.

During audit of TEVTA for the year 2022-23, it was observed that the management was to procure 02 Hino buses for the Government Polytechnic Institute Tranda Muhammad Pannah with the seating capacity of 72. Whereas, the management procured the buses with the seating capacity of 63+1 against the technical specifications approved in PC-I. Hence, the procurement was held irregular in audit.

Due to weak managerial and procurement internal controls, the buses were procured against the approved PC-I provision.

Audit is of the view that the management must have procured the buses in accordance with the technical specifications of approved PC-I. But the same was not done.

The matter was reported to the management and PAO on December 14, 2023. The management informed that 72-seater bus is not manufactured in Pakistan and it contacted Hino and Isuzu for confirmation. The reply was not convincing as management was required to procure buses as per the specification mentioned in the PC-I.

DAC in its meeting held on January 12, 2024 directed the management to revise PC-I.

Audit recommends the compliance of DAC's directives.

Note: The issue was also reported earlier in the Audit Report for Audit Year 2018-19 vide para number 15.1.4.9 having financial impact of Rs 6.350 million. Recurrence of same irregularity is a matter of serious concern.

13.1.4.7 Irregular award of work in violation of technical specifications - Rs 5.832 million

According to bidding documents of metal cutting band saw, the required technical specifications were as blade size 27x0.9x3280 mm, number of steps 04 and blade speed 25 to 95 meter per minute.

During audit of TEVTA for the year 2022-23, it was observed that the management carried out the technical evaluation of bidders on December 30, 2021 for procurement of metal cutting band saw. Total three bidders were technically qualified. The management accepted the technical bid of M/s Salman Enterprises with the technical specifications less than required. The technical specifications offered by the other two bidders were better than the required specifications. The management awarded the contract of Rs 5.832 million to M/s Salman Enterprises on February 04, 2022 with the technical specification less than required as detailed below:

Description of item	Specification required	Specification accepted	Remarks
Metal cutting band saw	blade size 27x0.9x3280 mm	blade size 27x0.9x2725 mm	Less than required
	number of steps 04	number of steps 02	Less than required
	blade speed 25 to 95 mpm	blade speed 36 to 72 mpm	Less than required

Due to weak internal controls, the management procured the metal cutting band saw against the technical specifications.

Audit is of the view that the management must have procured the metal cutting band saw as per technical specifications approved in bidding documents. But the same was not done.

The matter was reported to the management and PAO on December 14, 2023. The management replied that a committee of 03 technical experts was constituted to carry out the evaluation of specification offered in the proposal and accepted the proposal. The reply was not convincing as acceptance of less than required specification is not justified.

DAC in its meeting held on January 12, 2024 directed the management to enquire reasons for deviation from the advertised technical criteria.

Audit recommends the compliance of DAC's directives.

13.1.4.8 Wasteful expenditures by Placement Wing on futile activities –Rs 60.783 million

According to clause 5 (h) of TEVTA Act 2010, the Authority may take initiative for placement of trainees or graduates and provide career counselling and job search services to the students and alumni.

During audit of TEVTA, Lahore for the year 2022-23, it was observed that the management established Placement Wing at head office under the supervision of DG (placement) and also nominate District placement officers at each district as well as institute placement officers at institute level. The management spent huge amount of Rs 60.783 million on the placement wing besides salaries of the staff but the performance of the Placement Wing was just an eye wash. When audit required the documents showing performance of

placement wing, only print of application dashboard was shared with the audit without any supporting evidence. When it was asked that how many placements were made by the placement wings then it was told that Placement Wing performed other activities apart from placement which included career counseling, job fair, industrial visit etc. No concrete efforts were made with reference to the placement of students hence all expenditure is wasteful.

Due to lack of accountability of the Placement Wing, poor placement of trainees was made.

Audit is the view that the management was required to follow its Act by true letter and spirit and made the placement wings effective and efficient which was not done.

The matter was reported to the management and PAO on December 14, 2023. The management replied that different initiatives were taken for placement of TEVTA trainees and graduates beside placement of 7000 graduate. The reply was not tenable as no evidence of placement was shared with audit.

DAC in its meeting dated January 12, 2024 directed the management to provide documentary evidence in support of management contention. The management did not provide record to audit for verification till finalization of this report.

Audit recommends the compliance of DAC's directives.

13.1.4.9 Deficit sustained by TEVTA in second shift classes –Rs 45.998 million

According to clause 13 of second shift policy 2012, 60% of the funds of second shift will be used for salary expenditure, 20% of development activities and 20% on non-salary expenditure. Further, according to clause 9, in case of break even, remuneration to teaching as well as admin staff will be paid as per proportionate payment of remuneration.

During audit of TEVTA, Lahore for the year 2022-23, it was observed that the management allowed second shift classes admission for Diploma of Associate Engineer (DAE) in the Government College of Technology (GCTs).

While scrutiny the financials of second shift it was found that the management sustained a deficit of Rs 45.998 million during 2021-22 in execution of second shift classes in contravention to the clause 9 of the policy. Management compensate this deficit by the saving of second shift from the previous years. As per the policy no such saving is allowed and college had to spend 20% of the funds on development activities but college instead of pursuing the policy of second shift saved this amount for meeting the future salary expenditures which is a clear violation. Deficit sustained in second shift policy is calculated as below:

(Rs in million)	
Head of Account	Amount (Rs)
Income	182.175
Expenses	228.173
Deficit	45.998

Due to non-adherence to the second shift policy, the authority was running its second shift classes at a deficit of Rs 45.998 million and not spending its funds on development purposes.

Audit is of the view that the management was required to spend its funds as per the approved policy and made payment to the teaching and admin staff in proportionate manner to achieve breakeven point in the second shift but the same was not done resulted into deficit to the authority.

The matter was reported to the management and PAO on December 14, 2023. The management replied that the loss pointed out by audit was merely the excess of expenditure incurred during the year over the income generated during the year. Reply was not convincing as management had to run second shift on breakeven and allocate the funds as per the approved policy.

DAC in its meeting dated January 12, 2024 directed the management to get the record verify from audit showing the breakeven of second shift.

Audit recommends the compliance of DAC's directives.

Note: The issue was also reported earlier in the Audit Report for Audit Year 2018-19 vide para number 15.1.4.5 having financial impact of Rs 17.529 million. Recurrence of same irregularity is a matter of serious concern.

13.1.4.10 Unjustified/ wasteful retention of Weaving and Finishing Institute Shahdara –Rs 8.109 million

According to clause-1 of the TEVTA Financial Guidelines dated September 07, 2018, in incurring and sanctioning expenditure from the Government Fund, the following fundamental canons of financial propriety shall be observed and same vigilance should be exercised in respect of expenditure incurred from Government revenues, as a person of ordinary prudence would exercise in respect of the expenditure of his own money.

During audit of TEVTA for the year 2022-23, in Government Weaving and Finishing Institute (GWFI), Shahdara Lahore it was observed that the institute owns 100 kanals of land with 35 staff members and a staff colony. When the output of the institute was demanded then the following detail was provided.

Sr. No.	Trade	Year	Nos. of pass out students
1	Finishing Technology (1 st year)	2020-21	18
		2021-22	18
		2022-23	24
2	Finishing Technology (2 nd year)	2020-21	14
		2021-22	16
		2022-23	18

The condition of GWFI was also deplorable and the machine present in the institute remained idle since long. The location of the institute is prime and could be used for other productive purpose. Management spent Rs 8.109 million on the said institute besides the government infrastructure during 2022-23 just trained 42 Nos. of students (Rs 193,000 per student) which was unjustified and wastage of government resources by spending unwisely.

Poor value for money for government funds and lack of planning at Secretariat level led to unwise spending of government money.

Audit is of the view that the management was required either to close the above institute or upgrade it to provide weaving training to student.

The matter was reported to the management and PAO on December 14, 2023. The management replied that revamping/rehabilitation plan to start new technologies was under process to make the institute viable.

DAC in its meeting dated January 12, 2024 directed the management to made effort for making the institute viable.

Audit recommends the compliance of DAC's directives.

13.1.4.11 Wasteful expenditure due to non-installation/ utilization of car hydraulic lifts - Rs 3.725 million

According to clause-1 of the TEVTA Financial Guidelines dated September 07, 2018, in incurring and sanctioning expenditure from the Government Fund, the fundamental canons of financial propriety shall be observed and same vigilance should be exercised in respect of expenditure incurred from Government revenues, as a person of ordinary prudence would exercise in respect of the expenditure of his own money.

During audit of TEVTA for the year 2021-22, it was observed that the management signed contract with M/s Al Waqas Associates on January 13, 2021 for procurement of 25 car hydraulic lifts amounting to Rs 11.642 million. The car hydraulic lifts were delivered by the contractor but were not installed due to non-availability of space even after lapse of two years since the delivery of the said lifts. It was responsibility of the management as a pre-requisite to make space available for installation of car hydraulic lifts. The lifts are getting obsolete without utilization. At following institutions the lifts were not installed which resulted into wasteful expenditure of Rs 3.725 million. The detail is as under:

(Rs in million)

Sr. No.	Name of institute	No. of car hydraulic lifts delivered	Unit cost (Rs)	Total cost (Rs)
1.	GTTC Kharian	02	465,660	0.931
2.	GTTI Bhalwal	02	465,660	0.931
3.	GTTI Chakwal	02	465,660	0.931
4.	GTTI Chishtian	02	465,660	0.932
Total				3.725

Due to weak internal controls and assets management, the car hydraulic lifts were not installed/ utilized which resulted into wasteful expenditure.

Audit is of the view that the management must have installed/ utilized the car hydraulic lifts to avoid wastage of resources.

The matter was reported to the management and PAO on December 14, 2023. The management replied that one car hydraulic lift was installed in GTTI Chishtian and remaining five will be shifted to other institutes. The reply was not tenable as management was unable to utilize all the procured car hydraulic lift.

DAC in its meeting dated January 12, 2024 directed to probe the matter for procurement of car hydraulic lift without effective planning.

Audit recommends the compliance of DAC's directives

Chapter-14

Tourism Department

Introduction

Our youth has grown in the information age, so it has more potential to bring change in the society. The youth should be provided with processes, programs and strategies to harness its potentials. So, in October 2011, new Department comprising on Youth Affairs, Sports, Archaeology Department of Tourist Services & Tourism was created. Our vision is to empower and strengthen the youth through fostering holistic sports activities and also preserving, restoring and developing cultural heritage and tourist sites all over Punjab.

Tourism

The Tourism Development Corporation of Punjab plays a crucial role in coordinating and supplementing the efforts of the Government in strengthening promotional and marketing efforts, catalyzing private investment and in providing trained manpower resources. TDCP has Tourist offices at various places in Punjab, which are responsible for providing information service to tourists, tourism promotion and marketing in their respective areas.

Formations:-

Tourism Development Corporation Punjab (TDCP)

(Rs in million)

Sr. No.	Description	Total Nos	Audited	Expenditure audited FY 2022-23 (Rs)	Revenue/Receipt audited FY 2022-23 (Rs)
1	Formations	01	01	590.40	666.55
2	Authorities/Autonomous Bodies etc. under the PAO	-	-	-	-
3	Foreign Aided Projects (FAP)	-	-	-	-

Classified Summary of Audit Observations

Audit observations amounting to Rs 85.461 million were raised as a result of this audit. This amount also includes recoverable of Rs 1.926 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rs in million)		
Sr. No.	Classification	Amount (Rs)
1.	Non-production of record	-
2.	Reported cases of fraud/Embezzlement and Misappropriation	-
3.	Irregularities	
a.	HR/employees related irregularities	5.250
b.	Procurement related irregularities	3.789
c.	Management of Accounts with Commercial Banks	-
4.	Value for money and service delivery issues	1.926
5.	Other	74.496

14.1 Tourism Development Corporation of Punjab Limited (TDCP)

14.1.1 Introduction

Tourism Development Corporation of Punjab Limited (TDCP) is under the administrative control of Tourism & Resort Development Department. TDCP was established on December 10, 1986 as a Public Sector Company under the Companies Ordinance 1984 (now Companies Act 2017). The objective of the company is to promote tourism in the province. The company has Patriata chair lift and cable car system at Murree, tourism resorts and tourism information centers.

14.1.2 Comments on Audited Accounts

14.1.2.1 The management failed to provide annual audited accounts for the years 2022-23 by December 2023.

14.1.2.2 The working results of the company for the year 2021-22 as compared to previous years are as under:

	2021-22	% Inc/ (Dec)	2020-21	% Inc/ (Dec)	2019-20	% Inc/ (Dec)	2018-19
Incomes	646.603	24.07	521.155	57.25	331.414	(30.52)	477.022
Direct expenses	328.699	14.93	285.992	4.71	273.122	(11.16)	307.436
Publicity and promotion expense	88.777	14.30	77.671	18.87	65.341	8.22	60.377
Net income from promotion activities	229.128	45.49	157.492	-	(7.049)	(106.45)	109.209
Development and feasibility study expenses	3.642	21.64	2.994	110.85	1.420	(89.37)	13.358
Administrative and general expenses	167.726	18.19	141.910	5.70	134.253	0.93	133.010
Operating Profit/ (loss)	57.760	358.85	12.588	-	(142.721)	284.08	(37.159)
Other operating income	19.945	119.54	9.085	(38.92)	14.873	7.14	13.882

(Rs in million)

(Loss)/ profit before taxation	77.705	258.53	21.673	(116.95)	(127.848)	449.25	(23.277)
Finance cost	1.557	298.21	0.391	585.96	0.057	(55.12)	0.127
(Loss)/ profit before taxation	76.148	257.82	21.281	(116.64)	(127.906)	446.51	(23.404)
Taxation	9.033	(6.15)	9.625	25.92	7.644	87.31	4.081
(Loss)/ profit after taxation	67.115	475.85	11.655	(108.60)	(135.550)	393.18	(27.485)
Accumulated Losses	395.842	(13.55)	457.899	(0.86)	461.877	45.42	317.606

(Source: Annual Audited Accounts for 2020-21 & 2021-22)

Company has accumulated losses of Rs 395.842 million, net cash flows from operations of the company were negative of Rs 108.443 million and equity of the company has become negative by Rs 395.692 million as on 30 June 2022. It created doubt about the going concern of the company. Management is stressed upon to take measure to reduce its accumulated losses to make it sustainable.

14.1.2.3 Government of the Punjab has given the approval for the conversion of loan of Rs 467.639 million into equity. For this company needs to enhance its authorized capital from Rs 10.00 million to Rs 500.00 million. But the legal formalities with SECP for conversion of loan have not yet been started. The conversion of loan into equity is necessary for sustainable operations of the company. Management need to made vigorous effort for finalization of terms with the SECP.

14.1.2.4 Settlement charges was Nil in 2020-21 and Rs 8.892 million in 2021-22. This amount indicated the security deposit of M/s crystal safety. The court ordered the company to pay the security deposit and profit on the amount to the supplier. Detail of legal case and reason for non-referring the case to the higher forum needs justification.

14.1.2.5 Development and feasibility study expenses increased from Rs 2.994 million in 2020-21 to Rs 3.642 million in 2021-22 registering an increase of 22%. However, no such development expenses capitalized during the period. Breakup of feasibility and development expenses incurred during the period and outcome of such feasibility needs to be provided.

14.1.2.6 Building on freehold land includes infrastructure having book value of Rs 12.125 million developed at Chattar Bagh resort. The said resort was obtained

from on lease in 1988 from Zilla Council Rawalpindi. After the expiry of lease agreement on 31st Oct, 2003, the Zilla council refused to extend the lease period and got the possession of said resort from the company. The case is now subjudice before the arbitrator. The management is stressed upon to get the lease asset back as the same was shown in work in progress since long.

14.1.2.7 Corporation current ratio was 5.5: 1 against a standard of 2:1. It showed that corporation struck its funds in current assets having poor return on assets. Company need to review its current assets to meet the standard requirement and divert its funds towards long term assets.

14.1.2.8 Receivable of the corporation increased to Rs 45.581 million in 2021-22 from Rs 1.824 million in 2020-21 registering an increase 2400% while bad debts of the company increased from Rs 2.085 million in 2020-21 to Rs 6.254 million in 2021-22 registering an increase of 200%. Staggering increase in receivable and bad debts needs justification. Further, party wise breakup of bad debts need to be share with the audit.

14.1.2.9 While reviewing the different projects of the TDCP it was found that the corporation failed to achieve even the breakeven point for its project. Financial highlights of different projects is as under;

- i. Income from tourist bus service was Rs 20.497 million while expenses against the income was Rs 37.818 million registering a loss of Rs 17.321 (84.5% of income) during 2021-22 while the position was more worst in 2020-21 as the income was just Rs 8.636 million and expenses was Rs 35.409 million registering a staggering loss of Rs 26.773 (310% of income).
- ii. Income from Institute of Tourism and Hotel Management (ITHM) was Rs 8.142 million while expenses against the income was Rs 21.092 million registering a loss of Rs 12.95 million (159% of income) during 2021-22 while the position was not even better in 2020-21 as the income was just Rs 8.425 million and expenses was Rs 22.361 million registering a loss of Rs 13.936 million (165% of income).
- iii. Income from School Tourism Services was Rs 2.290 million while expenses against the income was Rs 60.546 million registering an

exponential loss of Rs 58.256 million during 2021-22 while the position was more worst in 2020-21 as the income was just Rs 0.490 million and expenses was Rs 53.263 million registering a staggering loss of Rs 52.773 million.

- iv. Income from Adventure expenses was Rs 0.381 million while expenses against the income was Rs 6.143 million registering a staggering loss of Rs 5.762 million during 2021-22 while the position was also not better in 2020-21 as the income was Rs 0.207 million and expenses was Rs 4.663 million registering a loss of Rs 4.456 million.

Company need to review the financials of above mentioned projects and made plans to run this on at least breakeven level. Complete sustainability plan need to be shared with audit.

14.1.3 Compliance of PAC Directives

Audit Report	Total Paras	Compliance received	Compliance not received	Percentage of compliance
1985-86 to 1986-87	8	8	0	100%
1987-88	8	6	2	75%
1988-89 to 1989-90	32	32	0	100%
1990-91	18	15	3	83%
1991-92	8	8	0	100%
1992-93	13	12	1	92%
1993-94	6	6	0	100%
1994-95	5	1	4	20%
1995-96 to 1997-98	11	11	0	100%
1998-99	5	2	3	40%
1999-00	3	1	2	33%
2000-01	2	2	0	100%
2001-02	3	2	1	67%
2006-07	4	4	0	100%
2009-10	12	6	6	50%
2010-11	02	0	02	0%
2011-12	17	08	09	47%
Total	138	116	22	84%

The overall compliance of PAC directives in respect of Tourism Department was 84%, which needs to be improved by PAO.

14.1.4 Audit Paras

14.1.4.1 Irregular appointment/ extension of consultant as contract employee - Rs 5.250 million

According to para-VIII (iv) of Contract Appointment Policy-2004, no person shall be appointed without advertisement and in violation of any procedural formalities laid down in the policy.

During audit of Tourism Development Corporation of Punjab (TDCP) for the year 2021-22, it was observed that a Social Media Consultant was working in the company who was hired in 2013 at Rs 40,000 per month under short consultancy mode of Punjab Procurement Rules, 2014. He was granted extension in consultancy contract against the rules. Further, the management appointed him on contract for one year at monthly salary of Rs 75,000 without any advertisement. Later, his contract was extended on January 13, 2023 for another year. Hence, the payment of Rs 5.250 million to employee was irregular and unjustified. Detail is as under:

(Rs in million)

Appointment Mode	From	To	No. of months served	Pay per month (Rs)	Amount (Rs)
Consultant	23.12.2013	05.07.2021	90	40,000	3.600
	05.07.2021	20.01.2022	06	75,000	0.450
Contract employee	20.01.2022	19.01.2023	12	75,000	0.900
	20.01.2023	31.05.2023	04	75,000	0.300
Total					5.25

Due to weak internal controls, management failed to implement the PPRA Rules in letter and spirit.

Audit is of the view that extension of short term consultancy, appointment of consultant as contract employee without advertisement and subsequent extension of that contract were done in violation of contract appointment policy and PPRA Rules.

The matter was reported to the management and PAO on June 23, 2023. The management replied that Mr. Usman Qureshi has been working since last six years in TDCP. The BoD decided to convert his consultancy into contract mode. Audit contended that this contract appointment was made in violation of contract appointment policy.

DAC in its meeting held on October 05, 2023 directed the management to seek advice from Finance Department.

Audit recommends the compliance of DAC's directives.

Note: The issue was also reported earlier in the Audit Report for Audit Year 2019-20 vide para number 17.1.4.3 having financial impact of Rs 4.860 million. Recurrence of same irregularity is a matter of serious concern.

14.1.4.2 Irregular procurement of goods and services on World Tourism Day - Rs 3.789 million

According to Rule-22 of Punjab Procurement Rules, 2014, "save as otherwise provided hereinafter, the procuring agencies shall use open competitive bidding or publication of request for tender as the principal method of procurement for the procurement of goods, services and works".

During audit of TDCP for the year 2021-22, it was observed that management was celebrating World Tourism Day every year. Further, management decided to celebrate the same on September 27, 2021 at Hiran Minar Sheikhupura. For this event, various goods and services were procured including lighting at venue, cultural performances, sitting arrangement, food and transportation on quotation basis instead of open tendering as per PPRA Rules. Detail is as under:

(Rs in million)		
Sr. #	Item	Amount (Rs)
01	Lighting/Advertisement at the venue	0.948
02	Qawali/ Performers	0.279
03	Smoke machine Banners	0.416
04	Dinner Expense	0.815
05	Others	1.331
Total		3.789

Lack of financial management was the cause of irregularity.

Audit is of the view that management procured services/ products in violation of PPRA Rules which was held irregular and unjustified.

The matter was reported to the management and PAO on June 23, 2023. The management replied that due to shortage of time, all the arrangements for the event were made in emergency. Audit contended that TDCP celebrate this day every year and it should plan it well before the time.

DAC in its meeting held on October 05, 2022 directed the management to obtain advice from Finance Department.

Audit recommends the compliance of DAC's directives.

14.1.4.3 Loss due to non-recovery of lease income and missing items from Ex-lessee - Rs 1.926 million

According to clause-3 of lease agreement dated November 20, 2015 executed between TDCP (lessor) and M/s Arbab Traders (lessee) for Lal Sohanra Resort, lessee was required to pay rent in advance through post dated cheques on the 7th date of first month of every quarter. Any dishonored cheque shall be treated as unpaid lease and subject to additional surcharge @ 10% and followed by legal action.

During audit of TDCP for the year 2021-22, it was observed that management leased out Lal Sohanra Resort to M/s Arbab Traders on November 20, 2015 for a period of five years. In 2019, it was found that lessee was not operating the resort as per terms of agreement and not paying the dues in time. Lessee failed to pay the lease amount despite various notices and finally management terminated the contract on May 19, 2020. The accumulated amount of lease was Rs 1.411 million at the time of termination of agreement. Further, after getting the possession of resort, management found that various items were also missing. This resulted in loss due to non-recovery of lease income valuing Rs 1.800 million (approx.) and missing items from ex-lessee.

Due to weak financial controls, management failed to recover the dues from the contractors.

Audit is of the view that management must have taken all necessary measures to recover both amounts from the lessee along with initiation of process for blacklisting of contractor.

The matter was reported to the management and PAO on June 23, 2023. The management replied that FIR was registered on February 20, 2020 and black listing process started.

DAC in its meeting held on October 05, 2023 directed the management to file recovery suit against the ex-lessee.

Audit recommends the compliance of DAC's directives.

14.1.4.4 Loss due to delay in outsourcing different facilities - Rs 56.696 million

According to meeting of BoD held on January 20, 2022, Board unanimously allowed the management to go ahead with outsourcing contract and sign outsourcing agreement with bidders who have matched the estimated rent amount mentioned in the advertisement.

During audit of TDCP for the year 2021-22, it was observed that management invited bids for outsourcing of fourteen (14) resorts and recreational facilities vide advertisements dated September 09, 2021 and September 14, 2021. In response to these invitations, bids of few facilities were below reserved price. The management negotiated with highest bidder and he agreed to match the offer price with reserved price. After completing the process, management presented the matter before Board and it unanimously approved the same and allowed the management to proceed for outsourcing contract. Since then, no agreements were made with successful bidder, which caused a huge revenue loss of Rs 56.696 million to company in shape of lease income. Detail is in **Annex-30**.

Due to weak internal controls, management failed to implement the decision of the BoD.

Audit is of the view that company was already relying heavily on Government grants/ loans for its survival and willingly losing potential sources of revenue which was held irregular and unjustified.

The matter was reported to the management and PAO on June 23, 2023. The management replied that the outsourcing process was delayed due to revision of outsourcing policy. Audit contended that there was no specific restriction in this policy for outsourcing.

DAC in its meeting held on October 05, 2023 directed the management to provide latest status of outsourcing process of these tourist sites. But no documentary evidence of latest status could be provided till finalization of this report.

Audit recommends the compliance of DAC's directives.

Note: The issue was also reported earlier in the Audit Report for Audit Year 2022-23 vide para number 16.1.4.5 having financial impact of Rs 2.309 million. Recurrence of same irregularity is a matter of serious concern.

14.1.4.5 Loss due to illegal possession of TDCP land by residents at Shershah Multan - Rs 17.800 million

According to Memorandum dated May 31, 1987 of Colonies Department, Government of the Punjab transferred free of cost state land measuring 14-Kanal and 3-Marlas to Tourism Department for the construction of Tourist Resort at Shershah Bridge, Multan. The transfer of land against Tourism Department was also shown in the Fard-e-Milkiyat.

During audit of TDCP for the year 2021-22, it was observed that a piece of land measuring 14-Kanal and 03-Marlas was transferred by Government to TDCP during 1987. Out of this, management allotted 3-Kanals for patrolling police post. In 2020, it was found that people of nearby area illegally built houses on remaining land. TDCP regional management took the matter with revenue staff and could only get back the possession of 2-Kanals and 3-Marlas. Remaining 8-Kanals and 18-Marlas was still under the illegal possession of local people. The minimum value of land estimated by audit was Rs 17.800 million (178 marlas * Rs 100,000).

Due to lack of administrative control, the assets of the company were not safeguarded which resulted into encroachment of land.

Audit is of the view that due to inefficient and improper management of resources, public exchequer sustained a loss.

The matter was reported to the management and PAO on June 23, 2023. The management replied that district government had agreed to provide alternate land. Audit contended that no serious efforts were made for allotment of alternate land and protection of already allotted land.

DAC in its meeting held on October 05, 2023 directed the management to pursue the case vigorously and pended the para till allotment of alternate land.

Audit recommends the compliance of DAC's directives.

14.1.4.6 Non-approval of budget from BoD in violation of Public Sector Companies (Corporate Governance) Rules 2013

According to Rule-7 (1) and (2) (a) of the Corporate Governance Rules 2013, significant issues shall be placed before the Board for its information and consideration, in order to formalize and strengthen the corporate decision-making process. Including annual business plans, cash flow projections, forecasts and long term plans; budgets including capital, manpower and expenditure budgets, along with variance analyses.

During audit of TDCP for the year 2021-22, it was observed that management incurred Rs 459.728 million throughout the year by the order of the Managing Director. As per rule mentioned above the annual budget shall be placed before the BoD but management incurred expenditure throughout the year without approval of the BoD. This practice of the company manifested that the financial matters were being run solely by the Managing Director without approval of the BoD.

Due to weak internal controls, management failed to implement the Corporate Governance Rules.

Audit is of the view that the management should have got budget approved from BoD before commencement of every financial year.

The matter was reported to the management and PAO on June 23, 2023. The management replied that the annual budget is being placed before BoD for approval.

DAC in its meeting held on October 05, 2023 directed the management to get expenditure regularized from Finance Department.

Audit recommends the compliance of DAC's directives.

Chapter-15

Transport Department

Introduction

Transport Department was established in 1987, earlier it was a Cell in the S&GAD under the supervision of the Additional Chief Secretary Government of the Punjab. The establishment of Transport Department is headed by Secretary (BS-20) with Two Additional Secretaries, three Deputy Secretaries and six Section officers. Vision of transport department is to provide Citizen-centric, Sustainable & Growth Oriented Integrated Transport System.

Functions of Transport Department are:

- Legislation, transport policy and planning.
- Plan, design, operate, regulate and establish Mass transit system in the province
- Route Permits, fare/freights, matters relating to traffic speeds, loading, parking and halting places, exemption cases of vehicles under Motor Vehicles Ordinance and Rules Grouping of stage carriages.
- Inspection and checking of Public Service Vehicles.
- Payment of compensation in accident cases of Private/Public sectors and allied matters.
- Policy regarding student's concession and Nationalization of Road Transport.

Formation:-

- Lahore Transport Company (LTC)
- Punjab Road Transport Corporation (Defunct)

(Rs in million)					
Sr. No.	Description	Total Nos	Audited	Expenditure audited FY 2021-22 (Rs)	Revenue/Receipt audited FY 2021-22 (Rs)
1	Formations	01	01	397.23	163.19
2	Authorities/Autonomous Bodies etc. under the PAO	01	-	-	-
3	Foreign Aided Projects	-	-	-	-

Classified Summary of Audit Observations

Audit observations amounting to Rs 1,041.469 million were raised as a result of this audit. Summary of the audit observations classified by nature is as under:

(Rs in million)		
Sr. No.	Classification	Amount (Rs)
1.	Non-production of record	-
2.	Reported cases of fraud/Embezzlement and Misappropriation	-
3.	Irregularities	
a.	HR/employees related irregularities	-
b.	Procurement related irregularities	3.864
c.	Management of Accounts with Commercial Banks	-
4.	Value for money and service delivery issues	-
5.	Other	1,037.605

15.1 Punjab Transport Company (PTC), Lahore

15.1.1 Introduction

Punjab Transport Company (“the company”) (formerly-Lahore Transport Company) was incorporated in Pakistan after approval from Punjab assembly on April 07, 2009 as a company limited by guarantee and not having share capital under section 42 of the repealed Companies Ordinance 1984 (now Companies Act 2017) (repealed with the enactment of the Companies Act 2017). The registered office of the company is situated at Liberty Market Noor Jehan Road Block D-1 Gulberg III, Lahore, Pakistan. The company has been registered with the Registrar Joint Stock Companies, City District Government Lahore vide No.RP/4895-L/S/09/476 dated April 07, 2009.

The principal objective of the company is to undertake or engage in such activities which provide safe affordable, reliable and efficient transport services for the general public in the city of Lahore.

15.1.2 Comments on audited accounts:

The management failed to provide annual audited accounts for the years 2017-18 to 2022-23 by December 31, 2023.

15.1.3 Compliance of PAC Directives

Audit Report	Total Paras	Compliance received	Compliance not received	Percentage of compliance
2016-17	15	05	10	33%
Total	15	05	10	33%

The overall compliance of PAC directives was very poor which needs to be improved by PAO.

15.1.4 Audit Paras

15.1.4.1 Unjustified award of contract beyond merit – Rs 3.864 million

According to clause-xi and xiii of technical evaluation requirement for transport services, the contractors were required to submit the details of vehicles owned alongwith list of staff.

During audit of Punjab Transport Company (PTC) for the years 2020-23, it was observed that management prequalified three contractors for provision of transport facility. In January 2020, the management called quotations from these prequalified contractors. All three were declared technically qualified. The contract was awarded to M/s NG being the lowest bidder @ Rs 18,100 per day per coaster. In February 2020, quotation were again called from all three for provision of transport in PSL matches. Two contractors M/s Overland United and M/s Bajwa Brothers were declared technically non-responsive and M/s NG was awarded being the only technically responsive bidder @ Rs 25,000 per coaster per day. It is pertinent to mention here that both the contractors were prequalified after an extensive exercise and evaluation. The process of declaring two contractors technically non responsive and awarding of contract at higher rates resulting into loss of Rs 3.864 million.

Due to weak internal controls and ineffective contract management, one contractor was declared technically responsive.

Audit is of the view that management awarded contract to M/s NG Tourism at much higher rates declaring already pre-qualified contractors as technically non responsive.

The matter was reported to the management and PAO on September 15, 2023. The management replied that the other two bidders could not submit requisite documents at the time of quotations. The reply was not convincing as bidders were pre-qualified after scrutiny of all the requisite documents. Secondly rate was increased from Rs 18,100 to Rs 25,000 in one month.

DAC in its meeting held on January 10, 2024 directed to probe the matter at Administrative Department level.

Audit recommends compliance of DAC's directives.

15.1.4.2 Non-transfer of title of land in company's name – Rs 807.500 million

According to Rule 21(6)(a) of Corporate Governance Rules 2013, the BoD shall establish an audit committee who shall determine appropriate measures to safeguard the assets of the company.

During audit of PTC for the years 2020-23, it was observed that the company was in possession of land valuing Rs 807.500 million but the title of land was not in its name. The management tried to get the title of the land transferred in its name but it was transpired that Khasra Numbers of the land in possession were different from those in the documents. Resultantly, the matter regarding transfer to title of land valuing Rs 807.500 million (807.50 marlas @ Rs 1.00 million per marla approx.) in the name of the company was pending.

Due to poor internal controls and weak management, the correct title of land was not established despite having possession.

Audit is of the view that management was not exercising due care and diligence while running the affairs of the company which resulted into defective title of its land assets. Non-ensuring the correct title of land assets was considered a serious lapse on the part of management.

The matter was reported to the management and PAO on September 15, 2023. The management admitted the facts and informed that matter was pending with relevant authorities.

DAC in its meeting held on January 12, 2024 directed the management to pursue the matter with relevant authorities and court cases in order to get a clear title of lands.

Audit recommends compliance of DAC's directives.

15.1.4.3 Irregular retention of unutilized subsidies – Rs 219.068 million

According to section 23(2) of the PFM Act, 2019, the principal accounting officers shall submit a certificate on half yearly basis that he has not

transferred public moneys for investment or deposit from government account to any other bank account.

During audit of PTC for the years 2020-23, it was observed that Rs 219.068 million was appearing in the books of accounts as subsidy payable. Further detail of these subsidies was as under;

i. Operational subsidy	Rs 149.015 million
ii. Capital subsidy	Rs 63.750 million
iii. Refurbishment subsidy	Rs 6.303 million

In order to find out the root cause of these un-utilized and payable subsidies, audit demanded the detailed record but management negated to provide the same.

Audit is of the view that management violated the financial discipline by retaining un-utilized balance instead of returning it to the Government.

The matter was reported to the management and PAO on September 15, 2023. The management replied that after July 2019, PTC did not demand any subsidy. Old balances were kept which will be used in future. The reply was not convincing as retention of subsidy amount was irregular.

DAC in its meeting held on January 10, 2024 directed the management to hold an internal fact finding inquiry and place it before BoD and administrative department.

Audit recommends compliance of DAC's directives.

15.1.4.4 Irregular retention of contractor's security in the company main account - Rs 5.252 million

According to section 217(2) of the Companies Act 2017, the money so received shall be kept in a special bank account maintained by a Company with a Scheduled bank.

During audit of PTC for the years 2020-23, it was observed that the management of PTC retained an amount of Rs 5.252 million pertaining to the securities of contractors under head performance guarantee as on June 30, 2023

in their main account in violation of the provision of the Companies Act 2017, which is held irregular in audit.

Due to weak internal controls the compliance of section 217 of Companies Act 2017 was not made.

Audit is of the view that management violated the provision of section 217 of the Companies Act 2017 by retaining their contractor's security in the main account instead of separate account which needs to be justified.

The matter was reported to the management and PAO on September 15, 2023. The management committed to open separate account after approval of BoD.

DAC in its meeting held on January 12, 2024 kept the para pending till compliance of Companies Act.

Audit recommends compliance of DAC's directives.

15.1.4.5 Loss due to theft of equipment at bus shelters and Non-recovery of insurance claims – Rs 4.033 million

According to Rule 21(6)(a) of Corporate Governance Rules 2013, the BoD shall establish an audit committee who shall determine appropriate measures to safeguard the assets of the company.

During audit of PTC for the years 2020-23, it was observed that management got insured its bus shelters from M/s United Insurance. During the audit period, 33 theft instances were noted in which management booked a loss of Rs 2.385 million against which recovery from insurance company was not shown to audit. Moreover, 20 insurance claims valuing Rs 1.648 million were pending.

Due to weak internal controls, the assets of the company were not properly safeguarded.

Audit is of the view that due care and diligence was not exercised and management has not taken proper steps to safe guard the assets of the company.

The matter was reported to the management and PAO on September 15, 2023. The management replied that the initiatives taken to reduce theft cases and also efforts made to recover pending insurance claims. The reply was not convincing as huge cases of theft occurred.

DAC in its meeting held on January 10, 2024 directed the management to probe the matter and effect recovery.

Audit recommends compliance of DAC's directives.

15.1.4.6 Loss of revenue income due to non-operation of bus terminals – Rs 1.752 million

According to order dated November 19, 2014 of District Coordination Officer, Lahore, the rights for use of urban/public transport related infrastructure services were handed over to Lahore Transport Company which included wagon stands, rickshaw/taxi stands, halting points and road wise bus stops.

During audit of PTC for the years 2020-23, it was observed that City District Government handed over six bus terminals and wagon stations to LTC now PTC for operations vide order dated November 19, 2014. Audit asked about the income generated from the operation of these Bus terminal /wagon stations. Management verbally informed that only two terminals are operative which are Railway Stations and Bhatti Chowk. No income was generated by PTC, however, operations were run locally by unknown persons and no information was available of their income. Audit has assessed that annual income generation potential of one terminal was Rs 1.752 million (24 wagon buses x 365 x Rs 200 per day).

Audit is of the view that management did not exercise due care and diligence while running the affairs of the company resulting into loss of potential revenue income.

The matter was reported to the management and PAO on September 15, 2023. The management replied that they have no legal right to use the transport related infrastructure for income generation and committed revenue generation after approvals from competent forums. The reply was not convincing as 'Rights

for use' of transport related infrastructure was handed over by city district government to PTC in 2014.

DAC in its meeting held on January 10, 2024 directed to probe the matter at Administrative Department level within thirty (30) days.

Audit recommends compliance of DAC's directives.

Chapter-16

Impact Audit Report on Skills Development Programme of PSDF

16.1 Introduction

The impact audit of Skills Development Programme (SDP) was carried out to determine whether the desired impact or outcome of the Programme was achieved, and whether the desired outcome/impact was caused by the Programme intervention rather than by any rival causes.

The Skills Development Programme was executed by Punjab Skills Development Fund (PSDF) which is a not-for-profit company set up by Government of the Punjab and the United Kingdom's Department for International Development (DFID) in 2010. The purpose of PSDF is to shape the future and well-being of poor and vulnerable youth by giving them access to skills training of the highest standard so that they can improve their ability to find work, progress in their current employment, or develop a new enterprise. Initially, PSDF worked in four districts of Southern Punjab but since 2016, the operations have been scaled up to all districts, expanding the reach of PSDF's interventions. PSDF works with an extensive network of training partners that are engaged to provide training based on schemes, focused on specific trades and targets.

In Pakistan, government skill Programmes have faced challenges. To address this, the Punjab Skills Development Fund (PSDF) introduced a grant-based funding model for training providers, to impart effective training to underprivileged youth in the province and to encourage more private sector participation in skill development.

16.2 Overview of Skills Development Programme (SDP)

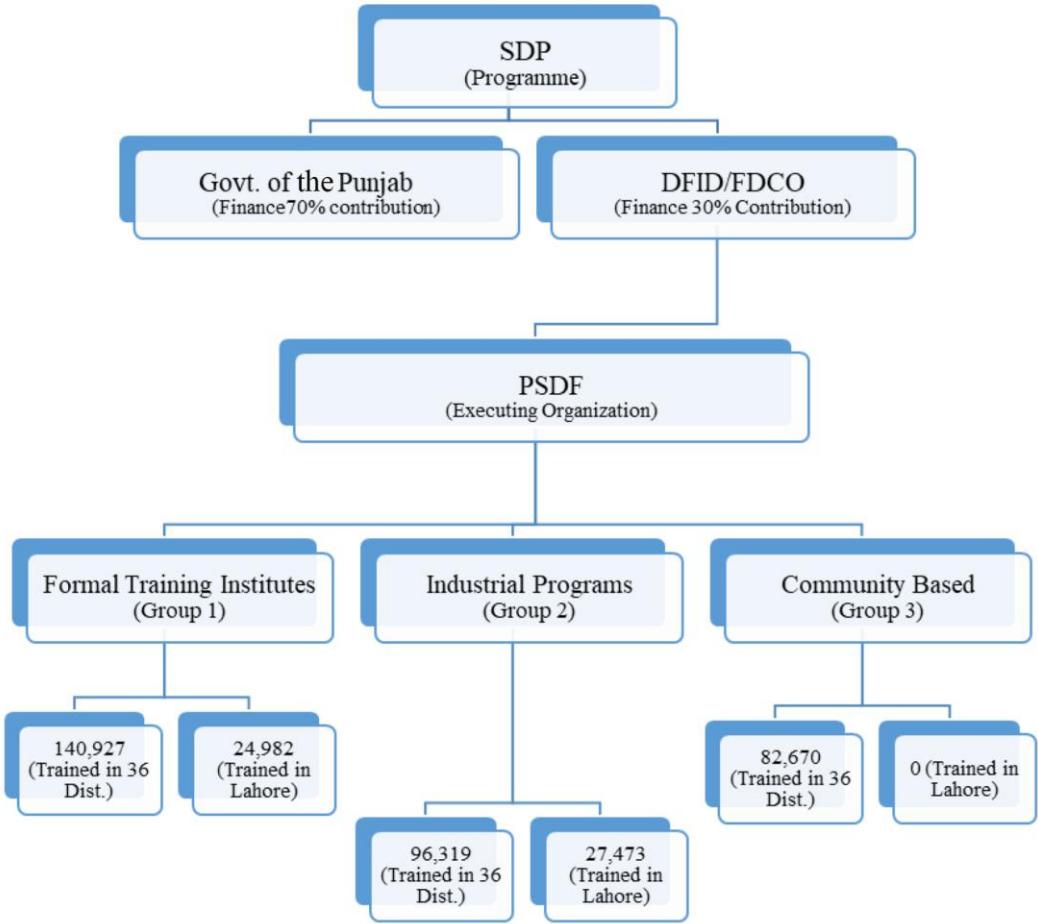
The Skills Development Programme (SDP), launched in 2016, was implemented by PSDF an independent, not-for-profit company established by Department for International Development (DFID) and the Government of the Punjab. The scope of the Skills Development Programme (SDP) covers all 36

districts of the province. Its objective is to provide technical and vocational skills to unskilled, poor youth enabling them to get employment in relevant field of work, or to generate self-employment through entrepreneurial skills.

Owing to the fact that women in Pakistan remain disadvantaged in terms of labour force participation, with the country ranking at 153 out of 156 on the World Economic Forum's Global Gender Gap Index 2021, the programme focused on delivering skills training to women in particular. Moreover, other disadvantaged segments of the population (including minorities, transgender people, and persons with disabilities), were also intended to be included in the target population of this programme, with the objective to help them gain decent employment. The following table and organogram show further details about SDP.

Programme Target	Geographic focus	Start of Programme	End of Programme	Programme duration
330,000 graduates (40% females)	36 districts of Punjab	August 2016	June 2021	5 years

Organogram and Training Group



16.2.1 Objectives of SDP:

The main objectives of the SDP programme as envisaged in project documents can be summarized as under:

- To train poor and vulnerable
- To improve skills level, in order to facilitate increased incomes for poor people by providing them with the technical and vocational skills, with special focus on skill enhancement of women
- To facilitate in getting employment by providing link between skill set and relevant job market
- To enable youth to seek self-employment
- To develop a competitive skills training market that offers market oriented training opportunities for the poor and vulnerable, particularly women
- To establish PSDF as an effective, self-sustainable fund

In order to achieve these objectives, certain training programmes were developed. A brief of these programmes is given as under:

16.2.2 SDP Training Programmes

SDP was executed by PSDF and was funded by DFID and Government of the Punjab (30% and 70% respectively) with a target to train 330,000 graduates, 40% of them being females. The Programme was launched in August 2016 and implemented its various training programmes and schemes till completion on June 30, 2021.

Three main training programmes under SDP were as follows:

i. Industry Driven Programmes (IDP)

PSDF developed Industry Driven Programmes to attract businesses across all sectors, and to train the youth according to their skill needs. In these programmes, businesses had the flexibility to design the training coursework and teaching materials, select trainers to teach the course and conduct the course at their own facility or in partnership with other training providers. It was envisioned that once the youth was trained by businesses within the industry, its prospects of finding sustainable employment would increase significantly.

Formal Training Institutes (FTI)

To enter the technical and vocational training space, PSDF developed Formal Training Programmes for existing vocational training institutes. Under these programmes, Formal Training Institutes (FTIs) partnered with PSDF to implement existing training programmes. PSDF provided funding for these trainings to make them bigger & better and assesses them on strict quality assurance standards. Vocational training institutes operating in the market could access funds for training through a transparent and competitive bidding process. The programmes were open to both existing and new institutes as well as public and private sector entities.

ii. Community Based Programmes (CBP)

In addition to demand driven and market relevant skills trainings through industry and training institutes, PSDF also developed various Community Based Programmes to provide access to high quality skills training in semi-urban and rural communities. One of the objectives of such programmes was to make skills training easily accessible by the rural communities by taking training to their doorstep. These programmes were meant to target people between the ages 29 to 40, particularly rural females, agricultural and livestock farmers. The trainings focused on improving farming techniques for better productivity and income improvement. Female training was a large component of Community Based Programmes at PSDF. These programmes operated on 'work from home' model and trainings helped generate commercial opportunities and incomes.

Total Trainee Population of the SDP across Punjab

Training Programme	Male	Female	Transgender	Total
Formal Training Institutes	92,602	48,324	1	140,927
Industry Driven Programmes	56,787	39,506	26	96,319
Community Based Trainings	21,814	60,856	0	82,670
Total	171,203	148,686	27	319,916
Percentage share	53.51%	46.48%	0.01%	100%

16.3 Objectives of Impact/Outcome Audit

The main objective of this impact audit included examination and evaluation of data regarding SDP and to assess the extent to which desired outcomes or impacts were achieved due to the Programme interventions. The Audit further aimed to assess how far the results of the programme were worth the cost.

16.4 Audit Scope and Methodology

a. Scope

The scope of Impact audit was to examine the causal relationship between Programme objectives, activities undertaken and their wider impact on employment & income of the poor and vulnerable trainee population. The following model reflects logical flow of inputs, activities, outputs, outcomes and intended impact of this Programme:

Inputs	Activities	Output	Outcomes	Impact
Programme Funds	Feasibility Study/ Scope	Trainings Successfully imparted	Job opportunities for poor and vulnerable youth	Skilled young Human Resource
Programme Guidelines (DFID)	Selection of Trades Training Clusters	Poor youth trained	Competitive market for private skills training provider	Income increase
Human Resource	Selection of TSPs	Graduate trainees got jobs	Making PSDF self-sustainable	Improved living standard
Man hours	Monitoring/ Supervision of Trainings	Self-employment capabilities of trainees increased	Improved social and economic status	Women empowerment
Liasion with Stakeholders	Data collection & Maintenance			
	Disbursement of funds			

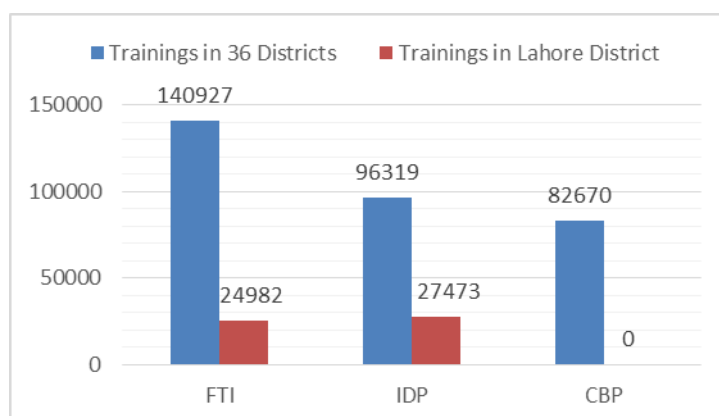
For the purpose of this audit the terms audit of outcomes and impact audit are used interchangeably. As the scope of this Audit activity was focused on the last two columns of the above chart. Since the Programme has many desired outcomes and impacts, the Audit team considered employment status of the trainees as a fundamental touchstone to assess effectiveness of the Programme.

Therefore, Industry Driven Programme and Formal Training Institutes were relevant to the specific focus of audit.

Scope limitation

Certain scope limitations were faced during impact assessment of the Programme. First, the Programme was spread over all 36 districts of Punjab; however, the mandate of this audit activity was limited to the Lahore district only. The following graph shows the proportion of trainings conducted in Lahore district in comparison to overall scope of the Programme.

Proportion of trainings conducted in Lahore District in comparison to over all 36 Districts



Owing to this limitation, a group of training cluster named as Community Based Programmes (CBP) could not be assessed. This cluster included different trainings in Agriculture and Livestock sector but in Lahore district no such trainings were conducted due to its urban nature. Secondly, audit team encountered barriers while approaching the female trainees due to the conservative cultural approach. Due to this limitation, the objective of increased women employment and hence their empowerment could not be evaluated in quantitative terms. Another key limitation was availability of pre- and post-intervention data on incomes or job acquisition of the sample of population

studied for this analysis. Reliance was therefore made on questionnaire-based responses.

b. Methodology

Due to lack of data and limitations of design, the following two techniques were employed to assess the impact on Treatment Group:

- i. Pre-Post Analysis
- ii. Post- Group Comparison

The audit team analyzed “Condition With” and “Condition Without” using survey and data analysis. The Condition With implies analysis of ‘treatment group’ i.e. those who underwent the skills training under Industry Driven Programme and Formal Training Institutes.

For Condition Without, under post group comparison, those persons were considered who were enrolled or selected for the training but did not join. This ensured that control group was similar to in its characteristics to the treatment group. Questionnaires were administered to samples of respondents selected from both treatment and control groups.

For pre-post analysis questionnaires asked from those who underwent the training (treatment group) questions regarding the nature of their employment prior to and after undergoing training under the SDP.

It was also asked from control and treatment group persons whether they had undergone any other skill enhancement training through some other Programme or on their own. This was done to exclude the rival cause of skill enhancement through any other Programme.

The Audit team selected a sample number of trainees and developed a questionnaire for them to conduct telephonic survey/interview. The survey was designed to assess whether the training helped the trainees find a job or not by asking them if they were employed before the training or they were successful in finding a job only due to receiving the respective training under SDP.

c. Sampling

Samples were randomly selected from treatment and control group. Trainee data of 52,455 participants of training across Lahore, was extracted from Master Survey Report & Trainee Survey Report provided by the PSDF management. Total sample size for survey consisted of 508 participants out of which only 330 participants responded. For control group a separate sample comprising 100 persons was selected. There were a total of 18,359 persons who were registered for the training but dropped out before completion of the training programme.

16.5 Programme Impact Assessment:

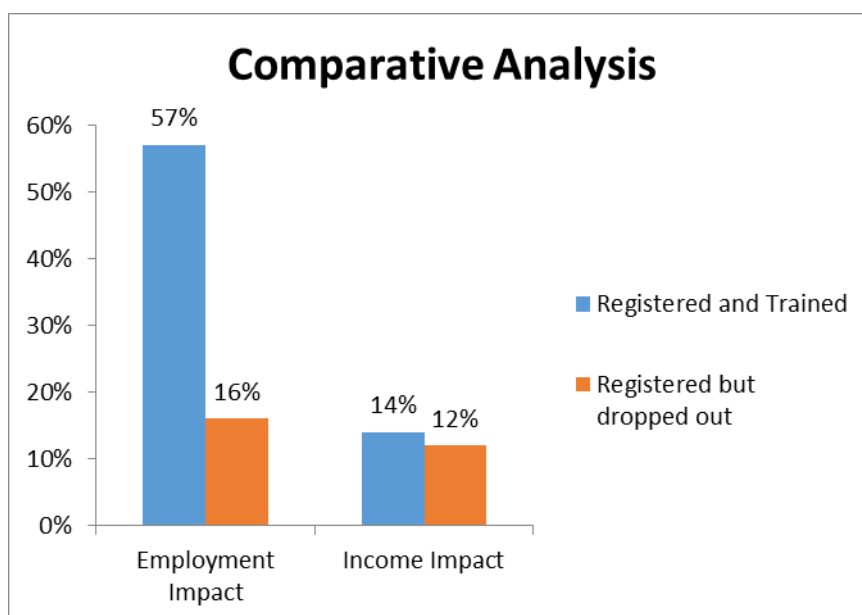
a. Overall Impact Assessment

A telephonic survey/interview was conducted over 508 trainees out of which 330 responded to it. 152 (46%) trainees told that they were doing a job even before/without receiving training under SDP. Out of remaining 178 respondents, 101 (57%) replied that they were able to get a job as a result of SDP training while 77 (43%) told that they could not get any job despite getting trained under SDP.

In pre-post comparison, amongst those who got the job 57% responded that prior to this training they were unemployed, and 14% (21 out of 152 trainees) had an employment that paid less than their current job.

For post-group comparison, a sample of 100 candidates who were registered for training but dropped out before completion was administered questionnaire as control group. Out of those interviewed, only 16% were employed and only 12% had similar income as those in treatment group.

Thus, a greater 41% of candidates (difference of 57% and 16%) from treatment group had employment compared to the control group and 2% (difference of 14% and 12%) of them had increased income. The following graph shows comparative analysis of income and employment impact on both groups:



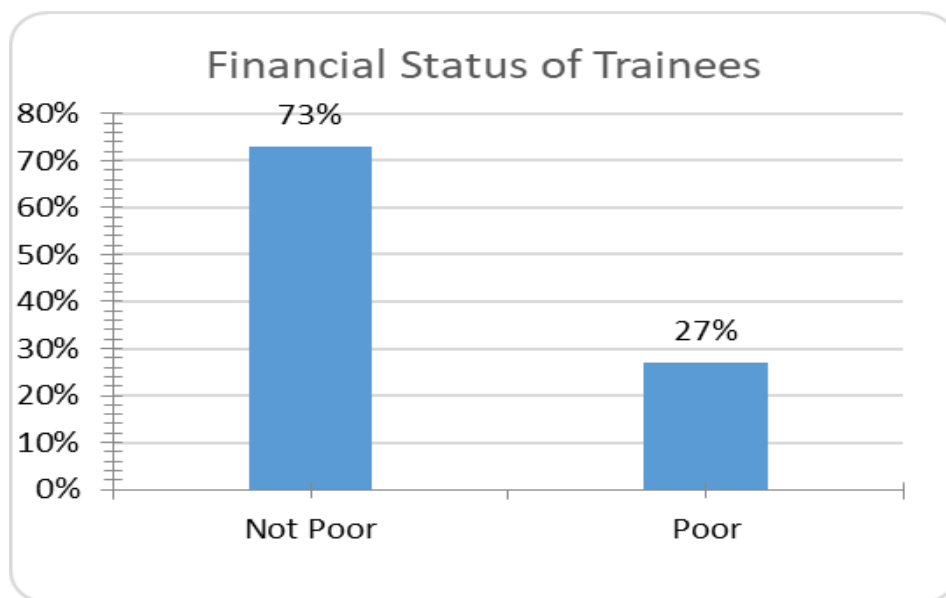
16.6 Key Findings:

16.6.1 Failure to attain desired results in connecting graduates with income generating opportunities (Employment and Career Impact)

Out of the total surveyed trainees, constituting a response rate of 65% with 330 participants, 43% stated that they did not get any job, 57% (101 trainees) responded that they got a job after receiving SDP training. Out of these 57% trainees, 64% (65 trainees) stated that they were doing such job which was not related to their field of training. This situation suggested two possible scenarios: either the trainees encountered challenges in securing suitable employment opportunities related to their training, or the training Programmes lacked the usefulness to facilitate job placements. This propounded that the investments made in these training initiatives had not yielded the intended outcomes. The resources allocated towards these training endeavors appeared to have been underutilized or potentially wasted, as the anticipated link between training, employment in the relevant field, and income improvement had not materialized.

16.6.2 Flawed selection/enrollment of trainees

As per the Business Rules (Industrial Training Programme & Formal Training Institutes), selection/enrollment of vulnerable trainees should be made in line with BISP poverty score. During the survey, 73% of the respondents revealed that they did not fall within the poor and vulnerable population category, defined as families earning less than 30,000 at the time of their training. The SDP was focused on the poor & vulnerable population of the Punjab. But during the interviews, it was found that some trainees didn't actually belong to this group. It seemed that they were included just to fill up the class. Consequently, non-committed and financially self-sufficient trainees were included at the expense of public funds, which ultimately went to waste, as these individuals lacked the motivation to seek employment after completing the training.



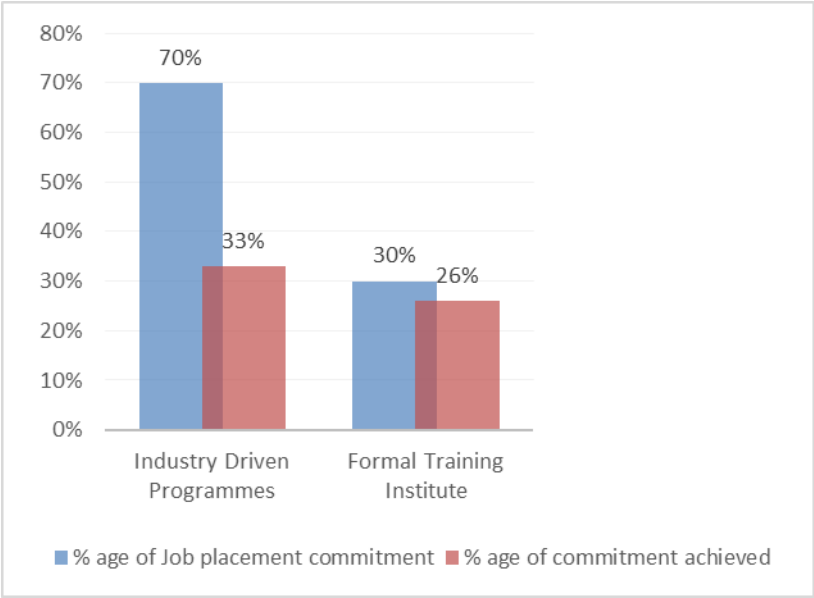
16.6.3 Non-implementation of real time attendance indicating weak monitoring mechanism

The management opted to outsource the monitoring system to a third-party entity, which conducted bi-monthly visits to verify the attendance of the trainees. The non-implementation of real-time attendance tracking systems severely impacted the efficacy of the monitoring mechanism. Without real-time

attendance data, the ability to oversee and manage trainee attendance, work hours, and task allocation had been compromised. The organization faced challenges in ensuring timely interventions, resource optimization, and the establishment of an accountable and responsive work environment. The telephonic survey conducted by audit team revealed that 2% of the graduate trainees were clueless about having received any such training under SDP. Further, the Trainee Survey Report provided by PSDF management showed that 13% of the trainees failed to pass the final examination. This reflects the enrollment of such individuals who were not fully committed to training. It also presented a convenient opportunity for Training Service Providers (TSPs) to fulfill their quota by showcasing the necessary number of trainees and collecting fees from PSDF, potentially prioritizing quantity over quality in training delivery.

16.6.4 Shortfall in achieving job placement target by TSPs

As per the contractual agreements, Training Service Providers (TSPs) failed to facilitate job placements for the committed percentage of trainees as shown in the graph given below:



Despite the contractual obligations, the TSPs fell short of achieving the stipulated percentage of trainees in all three training clusters: only 33% and 26% job placement target could be achieved against the committed target of 70% and 30% in IDP and FTI respectively. This inability to meet the agreed-upon placement quotas raised concerns about the TSPs' capacity to effectively transition trained individuals into suitable employment opportunities, possibly signaling limitations or shortcomings within the job placement strategies implemented by these providers.

16.6.5 Violation of criteria of SDP in enrolment of DAE qualified students

As per the Vocational Training Contract between PSDF and Training Service Providers (TSPs) and Business Rules, individuals enrolled in the DAE Programme or registered under PBTE are not eligible for PSDF-funded courses. However, in the survey, 3.6% of the trainees reported that they had completed their DAE before enrollment in the SDP training. This situation highlighted a weak monitoring mechanism, indicating failure to screen and prevent the enrollment of ineligible candidates. As a result, resources were potentially wasted by providing training to individuals who were not eligible as per the agreement, raising concerns about the effective utilization of resources and the need for a more robust enrollment monitoring system.

16.6.6 Non-achievement of desired objective to create a competitive market of private skills training providers

Throughout the SDP period, PSDF collaborated with 80 Formal Training Institutes (FTIs) in Lahore. Among them, a sample of 22 FTIs (27.50%) was examined, revealing that all of them had ceased their operations. The failure to achieve the targeted goal of establishing a competitive market among private skills training providers during the skills development Programme's tenure was evident. While funding was readily available and accessible to Training Service Providers (TSPs), a surge in their numbers was observed, relying significantly on government grants to sustain their operations. However, following the Programme's closure, a marked decline emerged as a considerable number of TSPs ceased operations. The sudden decrease after the Programme ended showed

that many TSPs relied too much on funding from PSDF and couldn't keep going without ongoing help from the government.

16.6.7 Failure to make PSDF self-sustainable fund

One of the main goals of the skills development Programme was to ensure that the PSDF became financially self-sustaining. However, despite efforts, the management fell short of this objective. Over the life of the Programme, PSDF had generated only Rs 151 million in revenue through managing and executing various innovative Programmes. The management couldn't achieve the target of making the PSDF self-sufficient, and it continued to depend on financial support from the government. This situation reflected a significant gap between the Programme's aspirations and its actual outcomes. The inability to establish self-sustainability pointed to underlying challenges or limitations in the strategies implemented, potentially impacting the long-term viability and independence of the fund.

16.6.8 No follow-up mechanism regarding trainee job placement after closure of training Programme

After the closure of SDP, there was a notable absence of a follow-up mechanism concerning job placements for the trainees. This lack of a structured follow-up system resulted in a concerning gap in monitoring the employment status or career progress of the trained individuals. Without a robust follow-up mechanism, assessing the effectiveness of the training in securing employment opportunities or tracking the career trajectories of the trainees became challenging. Consequently, the absence of such a system diminished the Programme's ability to gauge its impact on trainees' professional lives and impeded the identification of areas for potential improvement in future training endeavors.

16.6.9 No mechanism developed regarding relevance of job placement according to training

According to the data provided by the management on job placements secured by TSPs for trainees as per the contract, a total of 5,229 job placements were recorded. Within this number, 133 trainees (3%) were employed in jobs entirely unrelated to their training. The Training Service Providers (TSPs) were

supposed to help the trainees get jobs according to their agreement. However, it was observed that in some situations, the job placements weren't in the same field where the trainees gained their skills. Instead, they were placed in fields that weren't related to what they learned during their training. This mismatch in areas of job placements raised concerns because it meant that some trainees ended up working in areas that didn't match the skills they acquired through their training Programmes.

16.6.10 Retention of TSPs having poor performance evaluation in previous trainings

The third-party monitoring conducted the performance evaluation of 157 Training Service Providers (TSPs), revealing that 48 TSPs (31%) scored below 50% (signifying poor performance) in a particular period. Despite this, several underperforming TSPs were permitted to participate in the bidding process once more and were awarded contracts again. This suggested that the PSDF overlooked the significance of TSP performance, ultimately leading to the production of trainees with inadequate skill levels.

16.7 Conclusion:

To recapitulate, this report is an effort to highlight major shortcomings in employment outcomes, monitoring mechanisms, market sustainability, and enrollment integrity, ultimately undermining the Programme's impact on securing suitable employment and increasing income levels of the targeted poor population. Despite achieving 97% of the targeted trainee number (319,928 out of 330,000), the Programme fell short of leaving significant footprint regarding employment outcome. The Impact audit revealed planning and execution lapses within the SDP impeding its ability to positively impact the lives of the poor and vulnerable, which was its primary objective. The findings underscore missed opportunities and operational deficiencies that hampered the Programme's ability to bring in significant change in youth employment graph as a result of the SDP trainings in the province. With substantial budget and scale, the Programme could have delivered more favorable outcomes if the management had addressed the identified issues during execution.

16.8 Recommendations:

The Programme stands completed and the shortcomings pointed out in this report cannot be completely addressed at this stage. However, the audit team has endeavored to suggest the following recommendations which would serve as guidelines for addressing key risk areas and improving impact of any such initiative in future.

- **Creation of Income Opportunities:**

PSDF management should create income-boosting strategies for graduates, including entrepreneurship training, microfinance aid, or job placement aid in lucrative sectors. It should foster better collaborations between public and private sectors for job placements, internships and apprenticeships by reinforcing the connection between training and private sector job opportunities.

- **Adherence To Enrolment Eligibility Criteria:**

The management should enforce strict adherence to eligibility criteria for trainee enrollment, preventing the inclusion of individuals who do not meet the poverty or vulnerable population criteria outlined in the Programme guidelines so that the actual purpose of the Programme would be achieved.

- **Implementation of Real-Time Attendance Monitoring System:**

A robust real-time attendance tracking system should be implemented to enhance monitoring efficiency. This would enable better oversight of trainee engagement, aiding in identifying irregularities promptly and limit trainee drop out.

- **Adoption of Job Placement Strategy:**

As part of job placement strategy, a comprehensive market demand survey should be conducted during planning phase of SDP training clusters/trades. Also, an effective follow-up mechanism should be developed post-training Programme closure to track trainee job placements. This would facilitate evaluation of the effectiveness of the trainings in securing relevant employment opportunities.

- **Improvement in TSP Selection Criteria:**

The management should strengthen the selection criteria for Training Service Providers to ensure that they align with the Programme's objectives. This should include performance evaluations from previous training sessions before re-awarding contracts.

- **Financial Self-Sustainability:**

The management should devise strategies to steer the PSDF towards financial self-sustainability, reducing reliance on continuous government funding. This can be done by exploring alternative revenue streams and attaining operational efficiencies.

ANNEXURE

MFDAC PARAS

The Director General, Commercial Audit & Evaluation, Islamabad on behalf of the Auditor-General of Pakistan, conducted the Audit of Public Sector Companies, Government of the Punjab, which maintain their accounts on commercial pattern.

As a result of audit conducted during 2022-23, various types of financial irregularities and losses of public money, etc., were detected and reported to the administrative departments concerned. Out of them 162 audit paras involving Rs 46,684.542 million on irregularities/losses and malpractices pertaining to various Public Sector Companies have been printed in this report, while 224 paras (Rs 39,111.454 million) of comparatively less importance were left for pursuance through Departmental Accounts Committee as detailed below:-

Sr. No.	Subject	Rs in million
	Energy Department	
	Punjab Power Development Company Limited	
1.	Lapse/ surrender of ADP Funds due to inefficiency of the management	33.726
2.	Non-recovery of revenue loss from the persons held responsible by Inquiry Committee	1.009
3.	Irregular allocation of 1300CC Toyota with drivers to Assistant Resident Engineer PHPP and PRO to Minister for Energy	1.250
4.	Irregular allocation of Toyota Vigo to Manager Hydal	-
5.	Irregular procurement of damaged critical spare parts of power plant through quotations	2.810
6.	Irregular advance withdrawal of funds from Assan Assignment Account.	170.500
7.	Loss due to non-allowance of certain items of Reference Tariff by NEPRA	715.230
8.	Expected annual loss due to reduction in Pre-COD Tariff by NEPRA	39.607
9.	Payment of extra premium due to procurement of high-risk	328.366

	Chinese Machinery	
10.	Revenue loss due to frequent tripping and dropage of transmission line voltage	80.00
11.	Irregular release of performance security despite poor performance of M/s Hydro Tech Pak (Pvt.) Ltd	7.781
12.	Irregular promotion of Manager Hydal and Manager Procurement without fulfillment of required experience	1.591
13.	Unjustified repair work of TG Unit-1 due to careless attitude of site staff	9.379
14.	Non completion of repair work of TG Unit-3 due to careless attitude of O&M Contractor site staff	-
15.	Excess expenditure due to application of expensive epoxy coating and zinc phosphate on under water components of TG Unit No-2	5.912
16.	Wasteful expenditure on construction of dispensary, shops and office building at Marala and Pakpattan Hydro Power Plants	1.527
17.	Irregular claim of recurring and reimbursement cost by M/s Hydro Tech Pak (Private) Ltd without supporting documents	11.012
18.	Higher project cost due to wrong selection of Marala Power House site	3,972.30
19.	Irregular appointment of Chief Operating Officer	2.880
20.	Non-compliance of PDWP instructions in project, "Solarization of WASA Water Supply"	68.00
21.	Non-handing /taking over project vehicles by EPC Contractors	16.192
Quaid-e-Azam Solar Power (Pvt.) Limited		
22.	Interest loss due to keeping surplus funds in saving accounts-Rs 535.529 million and unjustified payment of dividend of - Rs 4.700 billion in presence of loan - Rs 3.617 billion	535.529
23.	Irregular Expenditure on Non-Scheduled Items	99.24
24.	Irregular award of contracts without combined/nationwide advertising	347.867
25.	Unjustified payment for the renovation of Energy Department Guest House	1.442

26.	Annual loss due to non-expansion of QASPL 10 MW solar plant	559.968
27.	Loss of 64,800 units due to non-replacement of burn inverter timely	4.536
28.	Loss due to non-investment of surplus funds in monthly TDRs	48.69
29.	Avoidable exchange loss sustained by QASPL due to imprudent financial management	29.354
30.	Non-receipt of Super tax from CPPA- General	93.169
31.	Non fulfillment of contractual obligation under CSR activity	4.584
32.	Production loss due to non-installation net metering/hybrid system	86.240
33.	Non-Evaluation of performance of Chairman, Directors, Chief Executive and senior management of the company	24.995
34.	Unjustified payment to the contractor due to non-provision of training and non-visits of sites for maintenance	-
35.	Unjustified payment for new razor wire and angle due to non taking into stock/auction of old razor wire	28.281
36.	Non-imposition of LD charges on contractor for delay in completing the projects	61.636
37.	Non-receipt of General Sales Tax invoices from contractor	14.48
Quaid-e-Azam Thermal Power (Pvt.) Limited		
38.	Revenue loss due to inefficient performance of plant	76.03
39.	Loss due to non-payment of annual fee to PPIB	203.87
40.	Interest loss due to retention of excess amount in escrow account	95.265
41.	Imposition of late payment surcharge by SNGPL due to non-clearance of invoices	3,380.693
42.	Loss due to delayed payment to O&M contractor	44.46
43.	Excess payment to O&M contractor for import of equipment	7.048
44.	Loss due to delay in re-payment of loan installments	6.91
45.	Opportunity cost/ revenue loss due to non-indexation of capacity payment price on HSD	46.06

Higher Education Department		
Lahore Knowledge Park Company		
46.	Non-refund of Tax claims Rs 19.984 Million and wasteful expenditure on tax consultancy	2.086
47.	Wasteful Expenditure on Feasibility study of Pak-Italy University of Engineering, Science & Technology	9.186
48.	Wasteful expenditure incurred on Barbed Wire	7.218
49.	Wasteful Expenditure on Foreign visits of LKPC officers	5.168
50.	Non Adjustment of amount due to reduction of Security Watch Towers-Rs 15.924 million.	15.924
51.	Irregular payment of POL charges in addition to Monetization Allowance	3.90
52.	Wasteful expenditure on Marketing & Promotion	25.839
53.	Irregular payment of Pay & Allowances to CEO LKPC without the approval of Provincial Cabinet	15.30
54.	Loss due to placement of funds in current account instead of Corporate Premium account	53.677
55.	No Compliance of directions of Steering Committee on Public Sector Companies	-
56.	Irregular hiring of vehicles	2.108
Industries, Commerce, Investment and Skills Development Department		
Government Printing Press, Bahawalpur		
57.	Loss due to non-utilization of paper reels	4.277
58.	Purchase of second hand machine instead of new one	6.099
59.	Un-economical operations resulting into loss	58.836
Government Printing Press, Lahore		
60.	Non-achievement of sales targets	92.500
61.	Irregular procurements due to non-uploading of annual procurement plans on PPRA website and department's own website	152.718
62.	Non-recovery of receivables since long	130.618
63.	Non-conducting of pre-qualification of printers/contractors for last nine years	5.615
64.	Un-economical operations due to lack of new technologies and un-trained man power resulting into loss	270.696
65.	Irregular charging of multiple costs to the jobs/ work orders	35.918

66.	Loss of printed material due to computerization of AR-17&18 Challan Books	9.476
Irrigation Department		
Mughalpura Irrigation Workshop		
67.	Non Production of record	-
68.	Unjustified payment on POL expenditure without charging on job	6.786
69.	Loss to the government exchequer due to expenditure paid at idle capacity	317.351
Labour and Human Resource Department		
Punjab Employees Social Security Institution		
70.	Unjustified creation of liability without supporting documents	135.96
71.	Irregular procurement of medicine and without DTL	99.15
72.	Revenue loss due to non-achievement of recovery target	3,068.41
73.	Unjustified procurement of bio medical equipment without operation of SSH Taunsa	4.843
74.	Non-recovery/adjustments of advances issued to different hospitals	38.602
75.	Loss due to non-reconciliation of Social Security contribution with M/s Canal View Co-Operative Housing Society	2.02
76.	Loss due to non-recovery of rent of canteen and parking stand contractors	1.672
77.	Non provision of medical facilities to thirty-three thousand domestic workers	-
78.	Un-justified construction and non-utilization of social Security hospital Taunsa despite incurring expenditures	95.645
79.	Non deduction of LD from the contractor	4.295
Live Stock and Dairy Development Department		
Punjab Agriculture and Meat Company		
80.	Operational loss due to non-rationalization of slaughtering rates	283.971
81.	Irregular procurement of internet services in violation of government instructions	1.800
82.	Revenue loss due to undue favor to various NGOs/ Clients	1.051
83.	Non-recovery of rent from Punjab Halal Development	6.141

	Agency (PHDA)	
84.	Non-appointment for key posts of CEO, CFO and CIA on regular basis	-
85.	Un-economical operation of wholesale meat at Kot Kamboh point	7.099
86.	Non-payment of long term loans alongwith accrued markup	1,502.516
87.	Financial loss due to placement of funds in TDRs in violation of Board's instructions	3.400
88.	Expected loss due to non-fulfillment of service agreement	59.228
89.	Poor performance due to non-initiation of any activity in agriculture sector	-
90.	Non-payment of contributions by security agencies	1.981
Local Government& Community Development Department		
Faisalabad Parking Company		
91.	Non-payment / utilization of Parking Share to MCF	8.489
92.	i. Non conducting of Physical verification of FPC Assets. ii. Improper maintenance of Fixed Assets of FPC	8.967
93.	Irregular grant of additional charge to the company employees beyond six months	-
94.	Unauthorized allocation of vehicle to Deputy Commissioner	5.159
95.	Loss due to theft of Cash	0.889
96.	Non-conducting of Performance Evaluation of members of Board, CEO & Senior members	-
97.	Unjustified retention of Inspectors not performing their duties as per job description and having Poor Performance	5.435
98.	Non-taking of action against culprits for overcharging, revenue leakage and malpractices at parking sites causing huge loss to the company	-
99.	Irregular award of contract and non-completion of work by the contractor	2.871
100.	Loss due non deduction of operational cost from the revenue share of individual sites	3.086
101.	Irregular appointment of legal advisors	1.073

Punjab Municipal Development Fund Company		
102.	Purchase of items in excess to the approved PC-I cost	14.430
103.	Non-repayment of the principal loan and interest accrued to Government of the Punjab	32.026
104.	Loss due to award of contract of detailed design, sector planning and resident supervisions by splitting the work into 05 packages	497.961
105.	Non-sustainability of company due to improper utilization of loan borrowed from Government of the Punjab	130.00
106.	Loss to government exchequer due to less deduction of income tax from salaries of employee of company and PCP project	8.003
107.	Unjustified appointment and payment to General Manager (F &A)	22.637
108.	Excess payment of salaries to municipal support units staff beyond the initial period of two (02) years of PCP-project	26.551
109.	Un-justified allocation of vehicles to officers	11.818
110.	Irregular hiring of consultancy services from M/s MM Pakistan	991.117
111.	Procurement of office equipment, vehicle and I-phone in excess the quantity approved in PC-1 of PCP-project	13.980
112.	Wasteful expenditure due to non-completion of assignment	12.394
113.	Non-conducting of physical verification of assets	-
114.	Irregular payment of incentive allowance to GM (ID/SPO)	2.750
115.	Excess payment of salary to GM(F&A)	15.437
116.	Irregular payment of salaries to PCP employees	48.364
Mines and Mineral Department		
Punjab Mineral Development Corporation		
117.	Loss due to non-closure of accounts in respect of closed projects Loss due to non-withdrawal of cash from bank before the closure of Project resultanty the account become dormant	59.645
118.	Non-verification of degrees/certificates of PUNJMIN Officers/ Officials	338.280
119.	Irregular payment of Executive Allowance to Secretary	4.320
120.	Understatement of staff gratuity due to non-conducting of	244.984

	actuarial valuation	
121.	Irregular payment of Pay & Allowances to the project employees working in the head office	12.922
122.	Irregular appointment of Private Secretary to MD	10.270
123.	Ineffectiveness of internal audit, non formation of Audit Committee and wasteful expenditure of salaries	7.08
124.	Irregular payment of gratuity to contract employees	2.520
125.	Non-collection of sales tax payable from projects	76.839
126.	Loss due to non-disposal of Silica Sand Stock	122.513
127.	Misstatement of accounts due to non-adjustment of qualifications raised by the external auditor and payment of income tax on loss sustaining company	74.365
128.	Loss due to payment of dead rent due to lesser excavation	3.769
129.	Non transparent auction of machinery and scrap	2.971
130.	Accumulated loss due to discontinuation of Drilling Operation Rs 11.396 million and non utilization / disposal of spares and stores Rs 3.701 million	15.097
131.	Irregular procurement of vehicles	41.497
132.	Irregular fixing of sale price of salt at Khewra Project	283.195
133.	Loss due to high excavation cost of coal in PCP-III	16.25
134.	Non adjustment of tax deducted at source amounting.	70.054
135.	Loss due to non-adjustment of disputed sales tax claim.	6.980
136.	Irregular appointment of daily wages / casual staff workers by project manager.	5.865
137.	Irregular execution of departmental work of extraction of coal through labor mates	25.295
138.	Irregular payment of technical allowance without the concurrence of finance department.	6.676
139.	Irregular promotion from assistant accountant to assistant manager without completing minimum parking period	-
140.	Inaccurate / weight difference during sale of salt.	6.778
Planning and Development Department		
Punjab Information Technology Board		
141.	Non recovery against services rendered from different clients	31.613
142.	Appointment of chartered accountant firm without consultation of AGP	-

143.	Excess withdrawal of funds from government treasury	26.544
144.	Non-investment of surplus fund Loss of interest due to non-investment of surplus fund	930.42
145.	Irregular and unjustified recruitment of employees by ignoring the first candidate in the merit list	6.058
146.	Non-payment of profit/saving to the government by PITB being a government funded body	705.615
147.	Poor performance due to non-execution of deposited funds of customers	356.980
148.	Time over run and cost overrun due to non-completion of the project namely disabled person management information system	48.244
149.	Non payment of loan to the government since 2013 Non payment of interest to the government on loan	2,116.398
150.	Excess charging of project cost from the government of Sindh and KPK	67.295
151.	Non finalization of the accounts.	-
152.	Irregular receive of development grant against the closed projects Irregular expenditures incurred on closed projects	198.861
153.	Increase in cost due to non-achievement of the objectives of the project despite four revisions	32.466
154.	Poor performance due to non utilization of development funds	2,158.840
155.	Irregular expenditure drawn from Assan Assignment Account for Punjab Ehsas Rashed Riayat Programm	51.495
156.	Unjustified charging of HR cost to Punjab Ehsas Rashed Riayat program	11.054
157.	Undue creation of monopoly for the bank of Punjab in the e-stamping project	-
158.	Irregular recruitment of staff under job center project in violation of PC-I	4.232
159.	Non receipt of expenditures incurred on the projects other than grant from the agencies	161.696
160.	Non surrender of funds which resulted in lapsed of funds	614.537
161.	Irregular hiring of office buildings without rent assessment and commercialization certificate	15.110

Punjab Skill Development Fund		
162.	Irregular award of contract to different training service providers at higher rates	5.646
163.	Payment to Training Service Providers (TSPs) having poor examination result	1.502
164.	Loss of markup income due to placement of funds in saving account	22.739
165.	Irregular payment of Car Allowance in the presence of vehicles to the Managers	2.880
166.	Irregular award of contract to different training service providers under short term consultancy services– Rs 287.903 million	287.903
School Education Department		
Punjab Curriculum & Textbook Board		
167.	Irregular Payment of Pay & Allowances to Employees working in School Education Department	16.853
168.	Irregular incurrence of extra expenditure beyond permissible limits	68.909
169.	Irregular provision of House Building Advances & Motor Car Advance to the Deputationist	27.181
170.	Non collection of Manuscript and Management cost on sale of Single textbooks in open market	56.946
171.	Irregular expenditure on production of videos under insaaf Academy project	188.390
172.	Irregular expenditure on provision of transport facility to the non – entitled staff	5.274
173.	Irregular increase in cost due to unauthorized change in color scheme of text books (Jackets) class-VI to VIII	1,434.71
174.	Excess expenditure due to unjustified increase in size of book	145.501
175.	Non development of PCTB's own textbooks resultantly annual loss of PLF on outsourced text books	72.871
176.	Avoidable expenses on Security labels	15.463
177.	Irregular posting of Senior Subject Specialists in violation of rules	16.727
178.	Non Preparation and Submission of Annual Audited Accounts	-

Punjab Teacher Foundation		
179.	Illegal attending of meetings of Committee of Administration (CoA) by unauthorized members	-
180.	Non registration of lease agreement from Rent Registrar in violation of Punjab Rented Premises Act, 2009	6.127
181.	Loss of profit on bank deposit due to early termination of TDRs	4.819
182.	Irregular placement of funds in shape of TDRs	128.500
183.	Appointment of Managing Director without open competition	8.671
184.	Irregular deposit of pension contribution by the management of PTF	1.712
185.	Irregular hiring of office space	1.863
Specialized Healthcare & Medical Education Department		
Punjab Health Foundation		
186.	Non-compliance of directives of Audit Committee on the observations of Internal Auditors	1.20
187.	Non appointment of Internal Auditor in violation of BoD decision	-
188.	Blockage of funds in non-operative bank accounts	1.001
189.	Nonpayment of CP Fund contribution and investment by foundation	3.121
190.	Unjustified hiring of cloud hosting for different IT based projects	19.644
191.	Irregular reinstatement of officers by concealment of facts	2.90
192.	Non-maintenance of aging schedule and Separate Ledgers of accounts receivable	663.931
193.	Doubtful recovery from Trust Investment Bank	19.80
194.	Wasteful expenditure on creation of Post Manager Communication, Business Development officer	9.998
195.	Irregular payment of honorarium to staff deputed on Punjab Residency Program Rs 3.726 million Irregular payment of honorarium to Deputy Secretary SH&MED Rs 445,000	4.171
196.	Wasteful expenditure due to unsatisfactory performance of the PHF and non-achievement of objectives	346.415
197.	Irregular payment of special PHF allowance to permanent	16.328

	employees	
Technical Education and Vocational Training Authority (TEVTA)		
Technical Education and Vocational Training Authority		
198.	Irregular allotment of mess contract in Government College of Technology	17.194
199.	Irrational allocation of human resource at TEVTA secretariat and field offices	-
200.	Dubious data for agricultural yield at PGICA – Rs 3.225 million	3.225
201.	Unjustified low charging on account of common facility service -Rs 3.468 million	3.468
202.	Unjustified retention of huge funds in corporate premium account resulting into loss of interest revenue	5,071.00
203.	Irregular expenditure on civil work, renovation of buildings and other items at TEVTA Secretariat – Rs 6.66 million	6.66
204.	Unjustified retention of Service Centers without any productive results –Rs 596.228 million	596.228
205.	Under-utilization of regular faculty and unjustified hiring of visiting teachers in morning shift	7.395
206.	Irregular award of AR/SR work to technically non-qualified contractor	7.435
Tourism Department		
Tourism Development Corporation of Punjab		
207.	Revenue loss due to non-installation of igloos/pods by M/s Sweet Tooth	3.356
208.	Revenue loss due to non-handing over of land to lessee	13.570
209.	Non recovery of amount paid for disputed land	12.826
210.	Wasteful expenditure on installation of solar power systems at camping/ glamping pods	2.00
211.	Wasteful expenditure on construction of Uchali road and PCC sludge carrier and oxidation ponds	7.193
212.	Non-completion of micro hydel plant at Kanhati Garden	12.768
213.	Non-transfer of land in Uchali, Chitta Village since 2015	12.361
214.	i. Non-conversion of loan into equity and expected repayment of loan ii. Loss to the government exchequer due to non-	553.718

	depositing the tax on liabilities not paid after three years -	
Transport Department		
Punjab Transport Company		
215.	Irregular utilization of restricted funds of Grant	149.00
216.	Loss due to delay in execution of ADP scheme for construction of 200 bus stop shelters	52.558
217.	Irregular promotions of contractual employees without advice from Finance Department	25.200
218.	Revenue loss on account of advertisement rights of bus shelters	31.978
219.	Loss due to excess payment made to the officers by giving additional charge	1.127
220.	Loss due to excess fuel consumption and heavy expenditure on repair & maintenance of vehicles	1.267
221.	Revenue loss due to non-advertisement on newly handed over bus shelters	14.662
222.	Irregular payment of salaries to staff working over and above the sanctioned strength	26.01
223.	Non-repayment of Government loans and interest	212.00
224.	Non hiring of staff for key positions despite weak performance of Company since long	-
	Total	39,111.454

NON-SUBMISSION OF ACCOUNTS

The organizations listed below failed to submit their annual audited accounts to the Directorate of Commercial Audit and Evaluation, Lahore by the prescribed date of December 31, 2023, despite issuance of letters and subsequent reminders. Non-submission of accounts needs to be explained. Efforts may be made to prepare and provide the required accounts at the earliest.

Sr. No	Name of Department/Entity	Year of Account
Agricultural Department		
1.	Punjab Bio Energy	2019-20 to 2022-23
2.	Punjab Seed Corporation	2022-23
Energy Department		
3.	Punjab Power Development Company Ltd	2020-21 to 2022-23
4.	Punjab Energy Holding Company	2019-20 to 2022-23
Excise and Taxation Department		
5.	Government Opium Alkaloid Factory, Lahore	2012-13 to 2022-23
Finance Department		
6.	Bank of Punjab	2019-20 to 2022-23
Forestry, Wildlife & Fisheries Department		
7.	South Punjab Forest Company	2020-21 to 2022-23
Higher Education Department		
8.	Lahore Knowledge Park Company	2018-19 to 2022-23
Housing, Urban Development and Public Health Engineering		
9.	Punjab SaafPani Company (South)	2016-17 to 2022-23
10.	Punjab SaafPani Company (North)	2016-17 to 2022-23
11.	Punjab Land Development Company	2019-20 to 2022-23
12.	Punjab Aab-e-Pak Authority	2020-21 to 2022-23
Industries, Commerce, Investment & Skills Development Department		
13.	Faisalabad Industrial Estate Development and Management Company	2015-16 to 2022-23

14.	Punjab Industrial Estate Development and Management Company	2022-23
15.	Punjab Government Printing Press, Lahore	2007-08 to 2022-23
16.	Punjab Government Printing Press, Bahawalpur	2015-16 to 2022-23
17.	Punjab Board of Investment & Trade	2016-17 to 2022-23
18.	Punjab Small Industries Corporation	2021-22 to 2022-23
19.	Punjab Board of Technical Education	2020-21 to 2022-23
20.	Punjab Industrial Development Board	2022-23
21.	Punjab Model Bazaars Management Company	2021-22 to 2022-23
Irrigation Department		
22.	Mughal Pura Irrigation Workshop	2011-12 to 2022-23
23.	Inland Water Transport Development Company	2011-12 to 2022-23
Labour and Human Resource Department		
24.	Punjab Employees Social Security Institution	2012-13 to 2022-23
25.	Punjab Social Security Health Management Company	2021-22 to 2022-23
Livestock and Dairy Development Department		
26.	Punjab Livestock & Dairy Development Board	2015-16 to 2022-23
27.	Punjab Agriculture and Meat Company	2022-23
Local Government and Community Development		
28.	Lahore Parking company	2015-16 to 2022-23
29.	Faisalabad Parking company	2017-18 to 2022-23
30.	Punjab Rural Support Company	2018-19 to 2022-23
31.	Punjab Municipal Development Fund Company	2019-20 to 2022-23
Mines and Minerals Department		
32.	Punjab Mineral Development Corporation	2018-19 to 2022-23
33.	Punjab Mineral Company	2022-23
Planning and Development Department		
34.	Punjab Information Technology Board	2017-18 to 2022-23
35.	Urban Sector Planning & Management Services Unit (Pvt.) Ltd.	2019-20 to 2022-23
36.	Engineering Consultancy Services Punjab (Pvt.)	2013-14 to 2022-23

	Ltd	
37.	Punjab Skills Development Authority	2020-21 to 2022-23
Population Welfare Department		
Primary and Secondary Healthcare Department		
38.	Punjab Health Facilities Management Company	2020-21 to 2022-23
School Education Department		
39.	Punjab Education Foundation	2020-21 to 2022-23
40.	Punjab Education Initiative Management Authority	2017-18 to 2022-23
41.	Punjab Curriculum and Textbook Board	2017-18 to 2022-23
42.	Punjab Teachers Foundation	2021-22 to 2022-23
Special Education Department		
43.	Punjab Fund for Rehabilitation for Special Persons	2017-18 to 2022-23
Social Welfare, Women Development and Bait ul Maal Department		
44.	Punjab Bait-ul-Maal	2017-18 to 2022-23
Specialized Healthcare and Medical Education Department		
45.	Punjab Health Foundation	2014-15 to 2022-23
46.	Government Medical Store Depot, (Defunct)	2015-16 to 2022-23
47.	Punjab Pharmacy Council	2022-23
Technical Education and Vocational Training Authority		
48.	Technical Education and Vocational Training Authority	2017-18 to 2022-23
Transport Department		
49.	Punjab Transport Company	2022-23
50.	Punjab Road Transport Corporation (Defunct)	2016-17 to 2022-23
Tourism Department		
51.	Tourism Development Corporation of Punjab	2022-23

RECOVERIES MADE AT THE INSTANCE OF AUDIT

During the year 2023-24 audit of the accounts of Public Sector Enterprises of Government of the Punjab for the year 2022-23 (including lean period of 2021-22) was conducted and results thereof, pinpointing various type of financial irregularities and losses of public money were communicated to Administrative Departments.

In various cases the concerned formations/management while accepting the irregularities made following recoveries:-

(Rs in million)

Sr. No.	Name of Formation	Brief Particulars of Recoveries	Amount recovered at the instance of audit
1	TEVTA	Non recovery of loan from M/s Akhuwat – Rs 49.623 million	49.623
2	PESSI	Loss due to Non Recovery from employers on account of cheque dishonor - Rs 7.881 million	4.740
3	PESSI	Loss due to Non recovery of contribution from newly registered units - Rs 5.632 million	3.399
4	PESSI	Loss due to non-recovery from employer despite deciding the case under section 57 - Rs 169.016 million	4.742
5.	PESSI	Non receipt of grant from the University of Lahore Rs 5.031 million	2.00
5	PITB	Non deduction of Penalty amount from consultant - Rs 2.375 million	2.375
		Total	66.879

Annex-4
(Para-1.3.4.2)

**Irregular hiring and excess payment to the Consultants in violation of PC-I –
Rs 22.442 million**

Sr. No.	Name of the Project	Location	Package	Consultant Hired for Supervision	Cost of paid for each package
1	Provision of Electricity to Communities using Indigenous Resources	(Rajanpur) (Multan)	Package 01 and 06	TPM	1,900,000
		(Rahim Yar Khan) (Muzaffargarh)	Package 02, 03		1,800,000
		(Muzaffargarh) (Bahawalnagar)	Package 04, 05		2,930,000
		(Rajanpur) (Multan)	Package 01 and 06	TPV	2,487,000
		(Rahim Yar Khan) (Muzaffargarh)	Package 02, 03		2,485,000
		(Muzaffargarh) (Bahawalnagar)	Package 04, 05	Project under construction, hence pending till completion	0
Total A					11,602,000
2	Solarization of Tube Wells in Punjab	Rajanpur, DG Khan, Bhakkar, Mianwali, Multan	-	TPM	2,930,000
Total B					2,930,000
3	Off-grid/Poor Grid Village Electrification in Punjab through Solar Power	Bahawalpur, DG Khan	Package 1	Ultimate Engineering	2,730,000
		DG Khan	Package 2		2,450,000
		Rajanpur, Bahawalpur DG Khan	Package 3		2,730,000
Total C					7,910,000
Total A+B+C					22,442,000

Annex-5
(Para-1.4.4.1)

Loss due to disallowing capacity payments by CPPA - Rs 127.157 million

Sr.#	Period	Disallowed Kwh	Tariff per Kwh	Amount in Rs
1	Sep-22	108,489	3.2045	347,653
2	Dec-22	6,561,290	3.3745	22,141,073
3	Jan-23	23,588,164	3.3745	79,598,259
4	Feb-23	3,847,349	3.3640	12,942,482
5	Mar-23	2,941,686	3.3640	9,895,832
6	Apr-23	663,574	3.3640	2,232,263
Total				127,157,562

Annex-6
(Para-1.4.4.2)

Non recovery of delayed payment interest from CPPA- Rs 10,392.379 million

Sr. No.	Invoice Number	Invoice Date	Amount of Interest In Rs
1	QATPL/DPI/6738/2022	05.08.2022	262,860,445
2	QATPL/DPI/6841/2022	06.09.2022	299,159,912
3	QATPL/DPI/6958/2022	07.10.2022	674,678,199
4	QATPL/DPI/7037/2022	08.11.2022	96,162,936
5	QATPL/DPI/7117/2022	08.12.2022	610,125,803
6	QATPL/DPI/7202/2023	10.01.2023	1,033,742,321
7	QATPL/DPI/7288/2023	08.02.2023	1,072,711,826
8	QATPL/DPI/7384/2023	09.03.2023	550,642,743
9	QATPL/DPI/7465/2023	12.04.2023	1,733,463,592
10	QATPL/DPI/7539/2023	09.05.2023	457,875,626
11	QATPL/DPI/7628/2023	09.06.2023	722,387,055
12	QATPL/DPI/7732/2023	10.07.2023	1,893,401,523
Total DPI			9,407,211,981
Less: Opening unbilled DPI			(932,158,229)
Add: Closing Unbilled DPI			1,917,325,674
Total Delayed Payment Interest During the year			10,392,379,426

Annex-7
(Para-1.4.4.3)

Loss due to award of arbitration against the Company –Rs 9,554.423 million

(Rs in million)		
S. No.	Particular	Amount
1.	Pre-COD Claim	5,506.746
2.	Post-COD Claim	4,739.286
3.	Mark up on Pre-COD claim	634.799
4.	Mark up on Post-COD claim	2,909.174
5.	Adjustments	120.624
6.	Claim Disallowed by LCIA	(1,090.983)
7.	Forced withdrawal from Escrow	(3,265.223)
Total		9,554.423

Annex-8
(Para-1.4.4.4)

Loss due to non payment against insurance component since COD
– Rs 1,324.816 million

Invoice Period	Amount (PKR)	Delayed Payment Rate (3-Month Kibor +2%)	Months amount Remained outstanding	Years for which amount remained outstanding	Loss in Rs
May-18	19,552,709	8.67	63	5.25	8,899,904.32
Jun-18	48,522,279	8.67	62	5.17	21,735,554.88
Jul-18	49,837,679	14.72	61	5.08	37,291,873.94
Aug-18	49,804,481	14.72	60	5.00	36,656,098.02
Sep-18	49,254,986	14.72	59	4.92	35,647,475.20
Oct-18	51,820,128	14.72	58	4.83	36,868,293.73
Nov-18	51,950,332	14.72	57	4.75	36,323,672.13
Dec-18	53,750,464	14.72	56	4.67	36,922,985.40
Jan-19	53,393,859	14.72	55	4.58	36,023,056.87
Feb-19	49,432,482	14.72	54	4.50	32,744,076.08
Mar-19	45,538,425	14.72	53	4.42	29,606,048.04
Apr-19	40,609,015	14.72	52	4.33	25,903,137.03
May-19	54,910,312	14.72	51	4.25	34,351,891.19
Jun-19	61,361,356	14.72	50	4.17	37,634,965.01
Jul-19	66,724,513	9.01	49	4.08	24,548,504.37
Aug-19	66,114,539	9.01	48	4.00	23,827,679.86
Sep-19	64,311,881	9.01	47	3.92	22,695,126.87
Oct-19	68,805,590	9.01	46	3.83	23,764,304.03
Nov-19	68,677,046	9.01	45	3.75	23,204,256.92
Dec-19	71,752,073	9.01	44	3.67	23,704,493.18
Jan-20	72,262,707	9.01	43	3.58	23,330,617.14
Feb-20	67,562,835	9.01	42	3.50	21,305,940.02
Mar-20	70,734,296	9.01	41	3.42	21,774,963.57

Apr-20	66,957,913	9.01	40	3.33	20,109,693.20
May-20	68,837,111	9.01	39	3.25	20,157,227.03
Jun-20	67,627,962	9.01	38	3.17	19,295,384.69
Jul-20	71,200,759	9.2	37	3.08	20,197,281.97
Aug-20	72,032,388	9.2	36	3.00	19,880,939.09
Sep-20	68,740,239	9.2	35	2.92	18,445,297.47
Oct-20	73,045,030	9.2	34	2.83	19,040,404.49
Nov-20	73,572,685	9.2	33	2.75	18,613,889.31
Dec-20	76,708,003	9.2	32	2.67	18,819,030.07
Jan-21	78,298,620	9.2	31	2.58	18,608,972.02
Feb-21	69,927,014	9.2	30	2.50	16,083,213.22
Mar-21	76,842,320	9.2	29	2.42	17,084,609.15
Apr-21	73,711,957	9.2	28	2.33	15,823,500.10
May-21	72,391,771	9.2	27	2.25	14,985,096.60
Jun-21	66,899,469	9.2	26	2.17	13,335,294.15
Jul-21	68,995,108	16.91	25	2.08	24,306,401.59
Aug-21	69,671,765	16.91	24	2.00	23,562,990.92
Sep-21	67,143,509	16.91	23	1.92	21,761,770.80
Oct-21	69,737,209	16.91	22	1.83	21,619,697.08
Nov-21	70,148,011	16.91	21	1.75	20,758,550.16
Dec-21	74,209,222	16.91	20	1.67	20,914,632.40
Jan-22	71,831,593	16.91	19	1.58	19,232,310.43
Feb-22	67,117,229	16.91	18	1.50	17,024,285.14
Mar-22	71,420,963	16.91	17	1.42	17,109,486.86
Apr-22	62,455,481	16.91	16	1.33	14,081,629.12
May-22	69,595,818	16.91	15	1.25	14,710,816.03
Jun-22	83,827,843	16.91	14	1.17	16,537,836.29
Jul-22	86,208,920	24.66	13	1.08	23,030,712.98
Aug-22	88,078,310	24.66	12	1.00	21,720,111.25
Sep-22	85,180,638	24.66	11	0.92	19,255,083.22
Oct-22	89,086,403	24.66	10	0.83	18,307,255.82
Nov-22	92,307,992	24.66	9	0.75	17,072,363.12
Dec-22	96,820,665	24.66	8	0.67	15,917,317.33
Jan-23	97,105,151	24.66	7	0.58	13,968,575.97

Feb-23	85,616,112	24.66	6	0.50	10,556,466.61
Mar-23	92,921,461	24.66	5	0.42	9,547,680.12
Apr-23	88,058,853	24.66	4	0.33	7,238,437.72
May-23	103,999,815	24.66	3	0.25	6,411,588.59
Jun-23	119,845,513	24.66	2	0.17	4,925,650.58
Total	4,344,860,811				1,324,816,400.46

Annex-9
(Para-5.1.4.4)

Loss due to non-recovery from employer despite deciding the case under Section-57 in favor of PESSI – Rs 162.586 million

Sr. No.	Name of Unit	Date of Dispose Off	Amount	Name of Directorate
1.	M/s Mor Brand Spices	25.08.2022	156,600	
2.	M/s Zohaib & Company Pvt. Ltd	29.03.2023	3,333,112	Bahawalpur
3.	Silver line spinning	29.03.2023	7,642,238	Bahwalpur
4.	M/s M.H.Sons (Pvt.) Ltd	07.09.2022	1,728,414	DSS, Sialkot
5.	Speciality Chemical Industries Pvt. Ltd.	22.03.2023	1,160,997	Faialabad
6.	Manga Processing Industries	23.02.2023	3,888,000	Faisalabad
7.	Manga Textile Industries	23.02.2023	4,948,800	Faisalabad
8.	Umer Weaving Factory,	13.07.2022	2,354,403	Faisalabad (East)
9.	Muhammad Aslam Wood Work	13.07.2022	565,359	Faisalabad (West)
10.	Sacha Dawa Khana	10.08.2022	51,300	Faisalabad (West)
11.	M/s Parwest Pacific Security Co.	02.08.2023	2,513,634	Faisalabad East
12.	Ahmad Jamal Textile mills	03.08.2023	875,274	Faisalabad North
13.	Haji Sons	19.10.2022	514,125	Faisalabad West
14.	M/s Zahid Gee	01.12.2022	2,780,528	Faisalabad West
15.	Toyo International Motorcycle restored	15.12.2022	1,050,454	Gujranwala
16.	Sabir Furniture	30.08.2023	658,578	Gujranwala
17.	Shaukat Junior Model High School	31.08.2022	2,436,084	Gujrat
18.	M/s Punjab Group of College	29.03.2023	4,223,880	Gujrat
19.	Servis Industries	29.03.2023	1,332,397	Gujrat
20.	M/s Standard Medical Store	22.03.2023	112,698	Gujrat
21.	Fazal Makhdoom Printing Press Pvt. Ltd	17.08.2022	1,203,800	Gulberg
22.	Fri Chicks	27.09.2023	617,695	Lahore (city)
23.	Food Consultant	27.09.2023	1,079,937	Lahore (Gulberg)
24.	M/s Asian Textile Network	19.01.2023	1,762,647	Lahore (Model Town)
25.	Krados Restaurant	23.02.2023	4,097,401	Lahore (Model Town)
26.	Eden Value Homes	23.08.2023	6,074,439	Lahore (south)
27.	Tricon Developers	23.08.2023	3,217,586	Lahore (south)
28.	M/s Hajvery Lyeeum School	18.08.2022	3,333,840	Lahore City
29.	M/s Yasir Broast	25.08.2022	1,111,010	Lahore City

30.	Broom Services	15.09.2022	5,597,400	Lahore city
31.	Al-Karam	16.03.2023	997,480	Lahore city
32.	A.P Pharmacy	02.08.2023	274,181	Lahore City
33.	M/s Habitt Home Store	19.01.2023	737,505	Lahore Gulberg
34.	M/s Comfort Knitwear's	19.01.2023	1,640,460	Lahore Gulberg
35.	M/s Pace Pakistan	15.02.2023	1,351,343	Lahore Gulberg
36.	Liaqat Ali Shoes	10.08.2023	790,820	Lahore Gulberg (Kasur)
37.	Fazal Ellahi Shoes maker	10.08.2023	1,392,600	Lahore Gulberg (Kasur)
38.	Hafiz Illyas Doubling	10.08.2023	878,022	Lahore Gulberg (Kasur)
39.	Kamran Elahi Shoes Makers	10.08.2023	1,484,100	Lahore Gulberg (Kasur)
40.	Asghar Ali Phoolan Shoes Makers	10.08.2023	3,031,848	Lahore Gulberg (Kasur)
41.	M/s PECO	29.03.2023	7,688,267	Lahore Model Town
42.	A.Q Manpower	10.08.2023	377,953	Lahore Model Town
43.	MCR	10.08.2023	4,176,927	Lahore Model Town
44.	Paradise Spinning	29.12.2022	2,568,558	Lahore South
45.	M/s Cool Point	22.03.2023	1,884,185	Lahore south
46.	M/s Mah Plastic Industries	22.03.2023	1,755,888	Lahore south
47.	Sitara Mall Petroleum	29.03.2023	478,170	Lahore South
48.	Mian Mehmood Fazil	05.04.2023	1,358,100	Lahore South
49.	M/s SMA Engineering	24.11.2022	408,600	Model Town Lahore
50.	M/s Security Orgainzing System	25.08.2022	92,220	Muzaffargarh
51.	Pak Post Foundation	16.03.2023	3,269,574	Rawalpindi
52.	Bismillah Marble	22.03.2023	629,514	Rawalpindi
53.	Malik Marble	22.03.2023	568,727	Rawalpindi
54.	M/s Living Standard	22.03.2023	521,010	Rawalpindi
55.	M/s Electronic Marketing Company Pvt. Ltd	04.09.2023	493,011	Rawalpindi
56.	M/s Electronic Marketing Company Pvt. Ltd (Singer)	04.09.2023	726,182	Rawalpindi
57.	Murree Continental	19.10.2023	541,068	Rawalpindi
58.	Hascol Bulk Oil Depot	29.03.2023	337,950	Sahiwal
59.	Madina Shopping Centre	30.08.2023	691,315	Sahiwal
60.	M/s Fazal Petroleum Service	10.08.2022	330,300	Sargodha
61.	Furniture Point	15.09.2022	111,297	Sargodha
62.	Shahid Mahmood	05.10.2022	200,000	Sargodha

63.	Hayat Traders	19.10.2022	141,730	Sargodha
64.	Saif-ul-Malook	02.11.2022	129,128	Sargodha
65.	M/s Divisional Public School & College	08.03.2023	3,200,000	Sargodha
66.	Punjab Live Stock and Dairy Development	22.03.2023	9,584,396	Sargodha
67.	Zahid Backolite	29.03.2023	393,229	Sargodha
68.	Lincoln Grammar School	07.09.2023	38,250	Sargodha
69.	M/s Rizwan Industries Corporation	09.03.2023	181,770	Shahdaea
70.	M/s Nova Engineering Co.	31.08.2022	477,712	Shahdara
71.	Z.Z packaging	25.08.2022	345,000	Sheikhupura
72.	D.S Textile Limited	30.03.2023	3,767,359	Sheikhupura
73.	D.S Textile Limited	30.03.2023	3,177,588	Sheikhupura
74.	M/s Al Rehman Rice Mills	10.08.2022	2,422,213	Shikhupura
75.	Sialkot Grammar School	12.10.2022	14,200,046	Sialkot
76.	M/s Forta Industries Pvt. Ltd.	19.10.2022	3,297,213	Sialkot
77.	Rajco Industries	06.04.2023	7,568,320	Sialkot
78.	Al Mahmud Electronics	04.10.2023	803,034	Sialkot
79.	M/s Finca Micro Finance Bank Ltd.	15.09.2022	649,800	Sub Office, Kasur
80.			162,586,593	

Annex-10
(Para-5.1.4.8)

Loss due to non-pursuance for recovery of social security contribution from the units since long-Rs 6.732 million

(Amount in million)

Sr. No.	Name of Unit	Amount of Contribution outstanding	Last letter/notice issued for recovery
1.	M/s Allied School, Zenat Block, Allama Iqbal Town, Lahore	0.187	17.04.2018
2.	M/s Gondal & Sons, Main Bund Road, Lahore	1.105	15.08.2021
3.	M/s Texas Chicken, Opp KFC Jail Road, Lahore	0.680	26.06.2018
4.	M/s The Educators (Girls Campus), Al Qadir Campus, Shah Jamal, Lahore	0.626	26.12.2017
5.	M/s Broadway Pizza, KFC Mall Road, Lahore	0.385	08.04.2021
6.	M/s Wali Mall, Opp Equater Commercial Zone Kareem Market, Iqbal Town, Lahore	0.414	11.12.2019
7.	M/s The Educators, Rachna Block, Iqbal Town, Lahore	0.139	10.07.2018
8.	M/s Allied School (Chuburgi Campus), Poonch Road, Lahore	1.398	12.06.2021
9.	M/s Allied School, Pak Block, Iqbal Town, Lahore	1.798	12.06.2021
	Total	6.732	

Annex-11
(Para-5.1.4.11)

Loss due to less recovery of electricity cost from the residents of the hospital colony-Rs 2.014 million

Sr. No	Billing month	MDI	KWH UNITS	PAYMENT	Unit consumed in colony	Deduction per unit	Applicable rates per unit	Difference per unit	Total difference
1	Jul-22	834	341,320.00	13,733,032.00	12,790	25.27	40.24	14.97	191,403.17
2	Aug-22	840	291,820.00	14,541,082.00	15,422	30.2	49.83	19.63	302,717.55
3	Sep-22	808	340,540.00	15,398,134.00	14,842	37.16	45.22	8.06	119,579.24
4	Oct-22	744	225,760.00	9,364,084.00	8,746	34.71	41.48	6.77	59,193.34
5	Nov-22	316	101,380.00	4,208,269.00	5,709	30.59	41.51	10.92	62,341.45
6	Dec-22	308	141,800.00	5,671,191.00	2,666	28.94	39.99	11.05	29,470.75
7	Jan-23	350	129,260.00	5,269,467.00	3,515	31.43	40.77	9.34	32,817.50
8	Feb-23	526	99,440.00	3,670,692.00	5,493	27	36.91	9.91	54,455.60
9	Mar-23	336	116,260.00	5,296,993.00	4,091	33.4	45.56	12.16	49,753.15
10	Apr-23	706	164,200.00	6,606,797.00	7,489	29.8	40.24	10.44	78,157.29
11	May-23	828	306,820.00	12,454,036.00	10,742	30.47	40.59	10.12	108,716.47
12	Jun-23	882	328,980.00	13,537,156.00	11,290	30.47	41.15	10.68	120,564.47
									1,209,169.99

Annex-12
(Para-7.1.4.4)

Un-justified expenditure of company's vehicles charged to PCP accounts
- Rs 15.603 million

Code of Accounts	Title of Ledger Account	Amount (Rs)
04-05-14-001	Repair & Maintenance – Vehicles	
04-05-14-001-0002	Vehicle Repair Cost – LZY 823	1,411,440
04-05-14-001-0003	Vehicle Repair Cost – LZY 709	994,242
04-05-14-001-0004	Vehicle Repair Cost – LXL 4142	76,766
04-05-14-001-0005	Vehicle Repair Cost – LXJ 9018	8,940
04-05-14-001-0006	Vehicle Repair Cost – LZU 1072	21,575
04-05-14-001-0007	Vehicle Repair Cost – LEB-06-3093	563,272
04-05-14-001-0009	Vehicle Repair Cost (Others)	325,914
04-05-14-001-0100	Vehicle Repair Cost – Staff	162,774
		3,564,923
04-05-13-001	Vehicle Running Cost	
04-05-13-001-0001	Vehicle Repair Cost – LWG 9944	12,929
04-05-13-001-0002	Vehicle Repair Cost – LZY 823	2,326,261
04-05-13-001-0003	Vehicle Repair Cost – LZY 709	1,215,032
04-05-13-001-0004	Vehicle Repair Cost – LXL 4142	217,988
04-05-13-001-0005	Vehicle Repair Cost – LXJ 9018	302,695
04-05-13-001-0006	Vehicle Repair Cost – LZU 1072	191,246
04-05-13-001-0007	Service Charges	125,555
04-05-13-001-0008	Vehicle Repair Cost – LEB-06-3093	1,172,141
04-05-13-001-0010	Vehicle Repair Expenses – PMDFC	1,770
04-05-13-001-0011	Vehicle Repair Expenses (Misc)	427,843
04-05-13-001-0101	Vehicle Repair Cost - Chairman	280,766
04-05-13-001-0120	Vehicle Repair Cost – Staff	5,763,560
		12,037,785
Total		15,602,708

Source: Trail Balance of the PCP

Annex-13
(Para-9.1.4.1)

Irregular appointment of staff having irrelevant qualification and experience –Rs 19.248 million

(Rs in million)

Sr. No.	Name of employee	Project	Required qualification and experience	Actual qualification and experience	Date of Joining	Monthly salary	Total Payment
1	Mr. Asad Tariq Rao BMS Engineer	ASTP	16 years of education in computer science, computer engineering and IT 2 year relevant experience in BMS	B.Sc Electrical Engineering Not relevant experience	Nov 2016 to Dec 2022	55,032	3.962 (55,032*72)
2	Afnan Javed	Assistant Program Officer PPMRP	16 years education in computer science, computer engineering, IT or related field	The candidate had degree of MBA not computer related	Aug 2013 to Jan 2023	35,000	3.955 (35,000*113)
3	Dr. Mujjad Ashraf,	Program Manager (O&I) EFOAS	Five years relevant experience	The candidate not have a relevant experience	June 2022 to Sep 2023	194,374	3.110 (194,374*16)
4	Mr. Awais Muhammad	Joint Director E-construction	BS (16 year) or equivalent in computer science 10 years of relevant experience in data analytics, design development , software application etc	MA Political science MBA MS entrepreneur ship & SME Management He mentioned that he was procurement specialist, hardware engineer. NO relevant experience was found	Dec 2022 to Sep 2023	291,562	2.916 (291,562*10)
5	Salman Noor	System Network Engineer E-Rozgar	16 years of Degree in science, Bsc Computer science, BCS, MCS, M.Sc Computer Science	Master in supply chain	June 2022 to Sep 2023	60,742	0.972 (60,742*16)
6	Hassan Khalid	Trainer E-Rozgar	2 years of professional freelancing work experience with a well reputed profile on freelancing portals or a proven experience in case of direct client	Irrelevant experience and have no profile on freelancing portal proof attached in the personal file	80,000	Sep 2021 to Sep 2023	2.00 (80,000*25)
7	Umair Ali	Senior Manager Business Developmnet CCC	7 years of relevant experience	His CV mentioned that he worked in different organization including PITB but not even a single	212,597	April 2023 to Sep 2023	1.275 (212,597*6)

				experience letter was found in his personal files and no experience verification was done by the management. Further, he worked in PITB as program officer but management hired him for the post of senior manager business development having a simple b.com degree which is considered undue favor to him.			
8	Shahid Ali	Assistant Manager ASTP	4 years of relevant experience	The candidate had not a single year experience in any organization as AM. Rather he served in education sector as principal or teacher. Management extended undue favor to him by granting him 3.33 marks for relevant experience. While other candidates had more experience but they were ignored by the management.	121,484	Jan 2023 to Sep 2023	1.093 (121,484*9)
Total							19.248

Annex-14
(Para-9.1.4.2)

Excess drawal of funds from Assan Assignment Accounts
-Rs 1,067.862 million

A.

Date	Particulars	Reference	Amount
23/08/21	270027 - Fund Transfer of Various Projects from July 01, 2021 to August 20, 2021	P(AA 04)-3	77,257,248
02/11/21	295142-Fund Transfer Advice prepared for the month of September to October 2021	P(AA 04)-83	22,000,000
02/11/21	295142-Fund Transfer Advice prepared for the month of September to October 2021	P(AA 04)-83	12,119,071
01/12/21	289939-Fund Transfer Advice prepared for the month of November-2021	P(AA 04)-150	20,532,712
10/12/21	325921-Fund Transfer Advice prepared for the month of December-2021	P(AA 04)-201	22,292,984
10/12/21	325922-Fund Transfer Advice prepared for the month of December-2021	P(AA 04)-201	11,899,920
10/12/21	325922-Fund Transfer Advice prepared for the month of December-2021	P(AA 04)-201	13,045,468
19/01/22	320812-Fund Transfer Advice prepared for the month of Jan-2022	P(AA 04)-296	19,201,082
23/02/22	364484-Fund Transfer Advice prepared Feb-2022	P(AA 04)-390	15,960,353
23/02/22	364484-Fund Transfer Advice prepared Feb-2022	P(AA 04)-390	16,457,011
23/02/22	364484-Fund Transfer Advice prepared Feb-2022	P(AA 04)-390	24,883,085
21/04/22	390571-Fund Transfer Advice prepared 21.03.2022 to 20.04.2022	P(AA 04)-590	10,685,597
22/04/22	390574-Fund Transfer Advice prepared 21.03.2022 to 20.04.2022	P(AA 04)-598	62,135,000
23/05/22	413968-Fund Transfer Advice prepared May-2022	P(AA 04)-697	10,269,732
23/05/22	413973-Fund Transfer Advice prepared May-2022	P(AA 04)-697	17,500,000
17/06/22	439642-Fund Transfer Advice prepared June-2022	P(AA 04)-920	17,295,521
17/06/22	439642-Fund Transfer Advice prepared June-2022	P(AA 04)-920	17,000,000
17/06/22	439642-Fund Transfer Advice prepared June-2022	P(AA 04)-920	14,500,000
17/06/22	439642-Fund Transfer Advice prepared June-2022	P(AA 04)-920	13,970,577
17/06/22	439643-Fund Transfer Advice prepared June-2022	P(AA 04)-921	17,442,828
17/06/22	439646-Fund Transfer Advice prepared June-2022	P(AA 04)-921	11,539,040
24/06/22	11210-Fund Transfer Advice prepared 25..June.2022	P(AA 04)-1053	16,000,000
27/06/22	11229-Fund Transfer Advice prepared June-2022	P(AA 04)-1059	10,823,000
31/10/22	11260-Fund Transfer Advice prepared	P(AA 04)-15	21,945,770
31/10/22	11262-Fund Transfer Advice prepared	P(AA 04)-16	18,585,702
31/10/22	11264-Fund Transfer Advice prepared	P(AA 04)-17	19,644,000
31/10/22	11274-Fund Transfer Advice prepared	P(AA 04)-22	17,929,218
31/10/22	11284-Fund Transfer Advice prepared	P(AA 04)-27	10,948,792
01/11/22	11291-Fund Transfer Advice prepared	P(AA 04)-30	195,000,000
01/11/22	11291-Fund Transfer Advice prepared	P(AA 04)-30	15,000,000
09/12/22	35110-Fund Transfer Advice prepared	P(AA 04)-210	12,754,135
12/12/22	35134-Fund Transfer Advice prepared	P(AA 04)-218	14,500,000
25/01/23	64892-Fund Transfer Advice prepared	P(AA 04)-414	10,841,114
20/02/23	64130-Fund Transfer Advice prepared	P(AA 04)-477	10,035,801
20/02/23	64135-Fund Transfer Advice prepared	P(AA 04)-481	24,420,902

12/04/23	65382-Fund Transfer Advice prepared	P(AA 04)-664	20,694,000
12/04/23	65382-Fund Transfer Advice prepared	P(AA 04)-664	22,500,000
20/04/23	64373-Fund Transfer Advice prepared in lieu of 64309	P(AA 04)-699	59,249,258
12/05/23	65802-Fund Transfer Advice prepared	P(AA 04)-764	26,366,909
12/05/23	65851-Fund Transfer Advice prepared chq # 65802 cancelled in lieu of 65849-50	P(AA 04)-764	16,000,000
12/05/23	65804-Fund Transfer Advice prepared	P(AA 04)-764	24,000,000
12/05/23	65804-Fund Transfer Advice prepared	P(AA 04)-764	17,530,000
15/05/23	65812-Fund Transfer Advice prepared	P(AA 04)-770	20,453,180
09/06/23	121413-Fund Transfer Advice prepared	P(AA 04)-917	13,000,000
09/06/23	121424-Fund Transfer Advice prepared	P(AA 04)-925	30,000,000
09/06/23	121425-Fund Transfer Advice prepared	P(AA 04)-926	16,252,000
09/06/23	121431-Fund Transfer Advice prepared	P(AA 04)-931	13,242,000
09/06/23	121434-Fund Transfer Advice prepared	P(AA 04)-933	45,092,329
09/06/23	121422-Fund Transfer Advice prepared	P(AA 04)-923	14,432,350
18/06/23	121361-Fund Transfer Advice prepared	P(AA 04)-1081	14,727,493
18/06/23	121368-Fund Transfer Advice prepared	P(AA 04)-1086	16,320,000
	Total		741,464,953

B.

(Rs in million)

F.Y	Receipt as per Bank Ledger	Drawl as per Bank Ledger	Utilized as per Trial	Excess Drawn
2021-22	1,392.774	1,370.921	1,278.802	92.119
2022-23	2,150.101	1,858.906	1,624.628	234.278
Total	3,542.875	3,229.827	2,903.43	326.397

Annex-15
(Para-9.1.4.3)

Non-achievement of targeted trainings and non-reconciliation of sponsorship fee with universities-Rs 19.824 million

Sr. No.	Name of University	Province	Fee Transfer against Students (Nos)	Students Trained (Nos)	Fee pending against Students (Nos)	Fee Per Student s (Rs)	Total Pending (Rs)
1	QUEST Nawab shah	Sindh	440	312	128	11,150	1,427,200
2	Arid Agriculture University, Rawalpindi	Punjab	600	564	36	11,150	401,400
3	IM Sciences Peshawar	KP	450	223	227	11,150	2,531,050
4	UET Mardan	KP	400	283	117	11,150	1,304,550
5	Karakoram International University	GB	575	513	62	11,150	691,300
6	Baluchistan University of Engineering & Technology, Khuzdar	Baluchistan	545	354	191	11,150	2,129,650
7	Lasbela University of Agriculture, Water & Marine Science (LUAWMS)	Baluchistan	300	85	215	11,150	2,397,250
8	University of Baluchistan	Baluchistan	300	85	215	11,150	2,397,250
9	University of AJK	AJK	400	193	207	11,150	2,308,050
10	Shah Abdul Latif University	Sindh	50	32	18	11,150	200,700
1	University of Karachi	Sindh	300	226	74	11,150	825,000
2	University of Turbat	Baluchistan	300	12	288	11,150	3,210,000
Total							19,823,400

Annex-16
(Para-9.2.4.2)

Non transparent hiring of Training Service Provider without press advertisement under cost sharing scheme – Rs 176.497 million

Sr. No.	TSP	Scheme	Total Payment
1	AHS (PRIVATE) LIMITED	Cost Sharing 2020-21-D	155,160
2	AJMAIR FOODS	COST SHARING 2019	1,683,611
3	ALLIED PAINT INDUSTRIES (PVT) LTD	Cost Sharing 2020-21-D	1,210,400
4	BLUE HORIZON (PVT) LIMITED	COST SHARING 2019	1,778,410
5	CRIMSON HOSPITALITY (PRIVATE) LIMITED	Cost Sharing 2020-21-D	4,488,661
6	ELAN FACON PVT LIMITED	COST SHARING 2019	482,000
7	FAST CABLES LIMITED	COST SHARING 2019	673,900
8	FIRHAJ FOOTWEAR PVT LTD	COST SHARING 2019	870,195
9	GHARPAR TECHNOLOGIES	COST SHARING 2019	257,335
10	INNOVATIVE BISCUITS (PVT) LIMITED	COST SHARING 2019	1,177,675
11	INTERCONNECT GLOBAL (PVT.) LTD	Cost Sharing 2020-21	961,876
12	INTERCONNECT GLOBAL (PVT.) LTD	Cost Sharing 2020-21-B	1,326,760
13	INTERLOOP LIMITED	Cost Sharing 2020-21-C	1,427,854
14	K.B.S INTERNATIONAL	COST SHARING 2019	7,395,022
15	K.B.S INTERNATIONAL	Cost Sharing 2020-21-D	9,090,182
16	KAMAL LIMITED	COST SHARING 2018	718,820
17	KAMAL LIMITED	COST SHARING 2019	750,000
18	KAMAL LIMITED	Cost Sharing 2020-21-D	318,080
19	KAY & EMMS (PVT.) LIMITED	Cost Sharing 2020-21-D	455,044
20	KFC PAKISTAN	COST SHARING 2019	2,454,737
21	LOFTEX LTD.	Cost Sharing 2020-21	3,200,090
22	MAHMOOD TEXTILE MILLS LIMITED	Cost Sharing 2020-21-D	4,168,540
23	MARK SPORTS INTERNATIONAL	Cost Sharing 2020-21	30,175,178
24	MASOOD TEXTILE MILLS	Cost Sharing 2020-21-C	4,754,450
25	MASTER TEXTILES MILLS LIMITED	COST SHARING 2019	3,069,895
26	MDS FOODS (PVT) LIMITED	Cost Sharing 2020-21-C	261,228
27	NEW CLASSIC GARMENTS	COST SHARING 2019	24,308,095
28	ORFE GLOBAL	Cost Sharing 2020-21-D	3,395,552
29	RISAN ENGINEERING	COST SHARING 2019	981,500
30	SADAQAT LIMITED	Cost Sharing 2020-21-C	2,648,124
31	SAVOUR FOODS	COST SHARING 2019	5,751,489
32	SHAHKAM INDUSTRIES PVT LTD	Cost Sharing 2020-21	2,016,562
33	STARLET INNOVATIONS (PVT) LTD	Cost Sharing 2020-21-C	243,279
34	TAIGA APPAREL (PRIVATE) LIMITED	COST SHARING 2019	1,010,776
35	THE STAR MUGHAL INDUSTRIES PVT. LTD.	Cost Sharing 2020-21-A	9,144,892

36	THERMOSELE INDUSTRIES PRIVATE LIMITED	COST SHARING 2019	727,122
37	TM RUBBER PVT LTD	Cost Sharing 2020-21	776,983
38	UNITED TECHNIKS	COST SHARING 2019	9,250,140
39	UNITED TECHNIKS	Cost Sharing 2020-21	32,084,764
41	US APPAREL & TEXTILES	Cost Sharing 2020-21	852,583
	Total		176,496,963

Annex-17
(Para-9.2.4.4)

**Irregular award of contract of consultancy to OPM consultant under EGD
–Rs 82.565 million**

Sr.	Observation
1	It was required that each subject matter expert need to attend the PSEA course by the UNICEF to be eligible for this procurement. Only two person completed the course (one from OPM and one from the M/s Akhuwat) but none of the expert completed training which was the essential eligibility criteria to qualify for technical evaluation. It means that OPM disqualified technically ab-initio.
2	Management awarded 20 marks to Skills Development Expert – Tariq Mahmood while he did not have the relevant qualification i.e. Master/ Graduation or equivalent in Social Science/ Business and Management Sciences but the said person had Master degree in Computer Education. Hence grant of 20 marks was unjustified.
3	Management awarded 05 marks to Job placement Expert – Rana Abdurrehman while he did not have the relevant experience. No documentary evidence in support of mentioned experience was attached with the documents. Hence grant of 05 marks was unjustified.
4	Management awarded 10 marks to Report Writer – Syed Rizwan Mahboob while he did not have the relevant experience. No documentary evidence in support of mentioned experience was attached with the documents. Hence grant of 10 marks was unjustified.
5	Management awarded 50 marks to Accelerated Learning Competency and Curriculum Expert – Ayesha Fazlur Rahman while he did not have the relevant qualification i.e. Master/ Graduation or equivalent in Social Science/ Business and Management Sciences but the said person had Master degree in English and Ed. M degree(Not understandable). Further, her experience was also not relevant and no documentary evidence in support of mentioned experience was attached. Hence grant of 50 marks was unjustified.

Annex-18
(Para-9.2.4.9)

Wasteful payment to training service providers for non functional classes
– Rs 23.812 million

Sr. No	Stream	Scheme	TSP Name	Trade	Actual Payment
1	Industrial Program	Cost Sharing 2019	Ajmair Foods	Basic Techniques of Retail Sale	124,840
2	Industrial Program	Cost Sharing 2019	Elan Facon Pvt Limited	Tracing	103,000
3	Industrial Program	Cost Sharing 2019	Elan Facon Pvt Limited	Sketching	120,200
4	Industrial Program	Cost Sharing 2019	Elan Facon Pvt Limited	Embroidery Plotting	258,800
5	Industrial Program	Cost Sharing 2019	Kfc Pakistan	Team Member Training	86,545
6	Formal Training	Employability Skills For Non-Muslim Youth For Formal Training Institutes	Zia Siddique Foundation	Plumber	1,300
7	Formal Training	Employability Skills For Non-Muslim Youth For Formal Training Institutes	Tdcp-Institute Of Tourism And Hotel Management (Ithm), Multan	Food & Beverage Captain	1,500
8	Formal Training	Skills For Job 2019	The Sublime Institute	Web Design & Development	233,420
9	Formal Training	Skills For Persons With Special Needs	Falah Foundation	Dress Design & Tailoring	193,400
10	Formal Training	Skills For Persons With Special Needs	Muhammad Bin Qasim Blind Welfare Organization	Braille Learning	23,400
11	Industrial Program	Cost Sharing 2020-21-B	Interconnect Global (Pvt.) Ltd	Shoe Manufacturing – Cutting	198,800
12	Community Based Training	Bpre Agriculture 2019	Wecan (Private) Limited	Wheat and General Agriculture Training	310,524
13	Community Based Training	Bpre Agriculture 2019	Wecan (Private) Limited	Wheat and General	156,096

				Agriculture Training	
14	Community Based Training	Bpre Agriculture 2019	Sangtani Woman Rural Development Organization (Svrdo)	Wheat and General Agriculture Training	240,319
15	Industrial Program	Cost Sharing 2019	Ajmair Foods	Basic Techniques of Retail Sale	103,480
16	Industrial Program	Cost Sharing 2019	Gharpar Technologies	Grooming & Spa Services	85,105
17	Industrial Program	Cost Sharing 2019	Hrs Global	Feeder-Packer Cum Machine Operator	166,295
18	Industrial Program	Cost Sharing 2019	Hrs Global	Feeder-Packer Cum Machine Operator	146,465
19	Industrial Program	Cost Sharing 2019	Hrs Global	Feeder cum Packer	-
20	Formal Training	Employability Skills For Non-Muslim Youth For Formal Training Institutes	Zia Siddique Foundation	Plumber	1,300
21	Formal Training	Employability Skills For Non-Muslim Youth For Formal Training Institutes	Tdcp-Institute Of Tourism And Hotel Management (Ithm), Multan	Food & Beverage Captain	1,500
22	Formal Training	Skills For Persons With Special Needs	Muhammad Bin Qasim Blind Welfare Organization	Braille Learning	23,400
23	Formal Training	Training For Placement 2019-2020	Pakistan Knitwear Training Institute	Screen Printing	(80,827)
24	Community Based Training	Bpre Agriculture 2019	Sangtani Woman Rural Development Organization (Svrdo)	Wheat and General Agriculture Training	253,217
25	Community Based Training	Women Training In Livestock Management 2020	Paidar Development Organisation	Livestock Management	219,930

26	Formal Training	Diploma In Professional Travel Services (Dpts)	College Of Tourism & Hotel Management	Diploma in Professional Travel Services (DIPTS)	643,238
27	Formal Training	Employability Skills For Non-Muslim Youth For Formal Training Institutes	Zia Siddique Foundation	Plumber	1,300
28	Formal Training	Employability Skills For Non-Muslim Youth For Formal Training Institutes	Tdcp-Institute Of Tourism And Hotel Management (Ithm), Multan	Food & Beverage Captain	1,500
29	Formal Training	Employability Skills For Non-Muslim Youth For Industries	Spei Institute For Fashion & Professional Edification (Southern Punjab Embroidery Industry)	Apparel Supervisor	336,027
30	Formal Training	Employability Skills For Non-Muslim Youth For Industries	Spei Institute For Fashion & Professional Edification (Southern Punjab Embroidery Industry)	CAD / CAM Digital Embroidery Designing	365,463
31	Formal Training	Employability Skills For Non-Muslim Youth For Industries	Spei Institute For Fashion & Professional Edification (Southern Punjab Embroidery Industry)	CAD / CAM Digital Embroidery Designing	415,556
32	Formal Training	Employability Skills For Non-Muslim Youth For Industries	Spei Institute For Fashion & Professional Edification (Southern Punjab Embroidery Industry)	CAD / CAM Digital Embroidery Designing	381,345

33	Formal Training	Employability Skills For Non-Muslim Youth For Industries	Spei Institute For Fashion & Professional Edification (Southern Punjab Embroidery Industry)	Apparel Supervisor	377,715
34	Formal Training	Skills For Job 2020	Exclusive International	Graphic Design (Print Media)	103,325
35	Formal Training	Skills For Persons With Special Needs	Muhammad Bin Qasim Blind Welfare Organization	Braille Learning	23,400
36	Formal Training	Training For Placement 2019-2020	Pakistan Knitwear Training Institute	Screen Printing	(80,827)
37	Formal Training	Training For Placement 2019-2020	Rachna College Of Commerce	CAD/CAM	503,833
38	Formal Training	Training For Placement 2019-2020	Rachna College Of Commerce	Professional Cooking	138,194
39	Formal Training	Training For Placement 2019-2020	Rachna College Of Commerce	Video Editing	68,278
40	Industrial Program	Cost Sharing 2019	Ajmair Foods	Basic Techniques of Retail Sale	(14,120)
41	Industrial Program	Cost Sharing 2019	Ajmair Foods	Basic Techniques of Retail Sale	119,400
42	Industrial Program	Cost Sharing 2019	Ajmair Foods	Basic Techniques of Retail Sale	25,500
43	Industrial Program	Cost Sharing 2019	Elan Facon Pvt Limited	Tracing	-
44	Industrial Program	Cost Sharing 2019	Elan Facon Pvt Limited	Sketching	-
45	Industrial Program	Cost Sharing 2019	Elan Facon Pvt Limited	Embroidery Plotting	-
46	Industrial Program	Cost Sharing 2019	Gharpar Technologies	Grooming & Spa Services	99,490
47	Industrial Program	Cost Sharing 2019	Gharpar Technologies	Grooming & Spa Services	20,691
48	Industrial Program	Cost Sharing 2019	Gharpar Technologies	Grooming & Spa Services	41,619

49	Industrial Program	Cost Sharing 2019	Gharpar Technologies	Grooming & Spa Services	49,606
50	Industrial Program	Cost Sharing 2019	Hrs Global	Feeder-Packer Cum Machine Operator	166,295
51	Industrial Program	Cost Sharing 2019	Hrs Global	Feeder-Packer Cum Machine Operator	146,465
52	Industrial Program	Cost Sharing 2019	Hrs Global	Feeder cum Packer	-
53	Industrial Program	Cost Sharing 2019	Kfc Pakistan	Team Member Training	50,474
54	Industrial Program	Cost Sharing 2019	Kfc Pakistan	Team Member Training	90,810
55	Industrial Program	Cost Sharing 2019	Kfc Pakistan	Team Member Training	118,058
56	Industrial Program	Cost Sharing 2019	Sabir Group	Breeder Farm Operations Supervisor	-
57	Industrial Program	Cost Sharing 2019	Savour Foods	Food & Beverage Server	183,900
58	Industrial Program	Cost Sharing 2019	Savour Foods	Cook (Khansama)	189,300
59	Industrial Program	Cost Sharing 2019	Starlet Innovations (Pvt) Ltd	Shoe Upper Stitchers	-
60	Community Based Training	Bpre Agriculture 2019	Sangtani Woman Rural Development Organization (Swrdo)	Wheat and General Agriculture Training	107,809
61	Community Based Training	Bpre Agriculture 2019A	Jullunder Private Limited	Wheat and General Agriculture Training	85,888
62	Community Based Training	Bpre Agriculture 2019A	Jullunder Private Limited	Wheat and General Agriculture Training	(8,183)
63	Community Based Training	Bpre Agriculture 2019A	Jullunder Private Limited	Wheat and General Agriculture Training	134,545
64	Community Based Training	Bpre Agriculture 2019A	Jullunder Private Limited	Wheat and General	199,590

				Agriculture Training	
65	Community Based Training	Bpre Agriculture 2019A	Jullunder Private Limited	Wheat and General Agriculture Training	149,332
66	Community Based Training	Bpre Agriculture 2019A	Jullunder Private Limited	Wheat and General Agriculture Training	194,094
67	Community Based Training	Bpre Agriculture 2019A	Jullunder Private Limited	Wheat and General Agriculture Training	194,150
68	Industrial Program	Cost Sharing 2020-21-C	Mds Foods (Pvt) Limited	Crew Member	170,292
69	Industrial Program	Cost Sharing 2020-21-D	Orfe Global	Industrial Stitching Machine Operator	485,240
70	Industrial Program	Cost Sharing 2020-21-D	Orfe Global	Fabric Cutting Expert	447,452
71	Industrial Program	Cost Sharing 2019	Ajmair Foods	Basic Techniques of Retail Sale	(94,520)
72	Industrial Program	Cost Sharing 2019	Ajmair Foods	Basic Techniques of Retail Sale	(6,800)
73	Industrial Program	Cost Sharing 2019	Gharpar Technologies	Grooming & Spa Services	25,081
74	Industrial Program	Cost Sharing 2019	Gharpar Technologies	Grooming & Spa Services	80,577
75	Industrial Program	Cost Sharing 2020-21-D	Allied Paint Industries (Pvt) Ltd	Building Painter	230,000
76	Industrial Program	Cost Sharing 2020-21-D	Allied Paint Industries (Pvt) Ltd	Building Painter	192,900
77	Industrial Program	Cost Sharing 2020-21-D	Kay & Emms (Pvt.) Limited	Industrial Stitching Machine Operator	325,920
78	Industrial Program	Cost Sharing 2020-21-D	Kay & Emms (Pvt.) Limited	Fabric Quality Inspector	(45,080)
79	Industrial Program	Cost Sharing 2020-21-C	Mds Foods (Pvt) Limited	Crew Member	90,936
80	Community Based	Sfml R2B	Jobs	Commercial	1,003,445

	Training		International (Pvt) Ltd.	Tailoring + Hand Embroidery	
81	Community Based Training	Sfml R2B	Lodhran Pilot Project	Commercial Tailoring + Adda Work	1,177,458
82	Community Based Training	Bpre Agriculture 2019A	Jullunder Private Limited	Wheat and General Agriculture Training	243,251
83	Community Based Training	Bpre Agriculture 2019A	Jullunder Private Limited	Wheat and General Agriculture Training	237,806
84	Community Based Training	Bpre Agriculture 2019A	Jullunder Private Limited	Wheat and General Agriculture Training	11,213
85	Community Based Training	Bpre Agriculture 2019A	Jullunder Private Limited	Wheat and General Agriculture Training	98,240
86	Community Based Training	Bpre Agriculture 2019A	Jullunder Private Limited	Wheat and General Agriculture Training	186,755
87	Community Based Training	Bpre Agriculture 2019A	Jullunder Private Limited	Wheat and General Agriculture Training	207,292
88	Community Based Training	Bpre Agriculture 2019A	Jullunder Private Limited	Wheat and General Agriculture Training	157,180
89	Community Based Training	Bpre Agriculture 2019A	Jullunder Private Limited	Wheat and General Agriculture Training	177,263
90	Community Based Training	Bpre Agriculture 2019A	Jullunder Private Limited	Wheat and General Agriculture Training	208,681
91	Community Based Training	Sfml R2	Al Fateh Development Foundation	Commercial Tailoring + Adda Work	851,607
92	Industrial Program	Cost Sharing 2020-	Interconnect	Shoe	198,800

		21-B	Global (Pvt.) Ltd	Manufacturing – Cutting	
93	Industrial Program	Cost Sharing 2019	Ajmair Foods	Basic Techniques of Retail Sale	(24,854)
94	Industrial Program	Cost Sharing 2019	Elan Facon Pvt Limited	Tracing	-
95	Industrial Program	Cost Sharing 2019	Elan Facon Pvt Limited	Sketching	-
96	Formal Training	Diploma In Professional Travel Services (Dpts)	College Of Tourism & Hotel Management	Diploma in Professional Travel Services (DIPTS)	599,650
97	Industrial Program	Cost Sharing 2019	Elan Facon Pvt Limited	Tracing	-
98	Industrial Program	Cost Sharing 2019	Elan Facon Pvt Limited	Sketching	-
99	Community Based Training	Bpre Agriculture 2019	Jullunder Private Limited	Farm Machinery Mechanic	161,538
100	Community Based Training	Bpre Agriculture 2019	Jullunder Private Limited	Farm Machinery Mechanic	57,317
101	Community Based Training	Sfml R2	Al Fateh Development Foundation	Commercial Tailoring + Adda Work	807,383
102	Community Based Training	Sfml R2	Hassan Brothers (Pvt) Ltd	Commercial Tailoring + Hand Embroidery	1,010,083
103	Community Based Training	Bpre Agriculture 2019A	Jullunder Private Limited	Wheat and General Agriculture Training	11,213
104	Community Based Training	Bpre Agriculture 2019A	Jullunder Private Limited	Wheat and General Agriculture Training	217,577
105	Community Based Training	Bpre Agriculture 2019A	Jullunder Private Limited	Wheat and General Agriculture Training	198,740
106	Community Based Training	Bpre Agriculture 2019A	Jullunder Private Limited	Wheat and General Agriculture Training	215,475
107	Industrial Program	Cost Sharing 2020-21-C	Mds Foods (Pvt) Limited	Crew Member	90,936
108	Industrial Program	Cost Sharing 2020-	Interconnect	Shoe Upper	(67,410)

		21-E	Global (Pvt.) Ltd	Stitcher	
109	Industrial Program	Cost Sharing 2019	Elan Facon Pvt Limited	Tracing	-
110	Industrial Program	Cost Sharing 2019	Elan Facon Pvt Limited	Sketching	-
111	Industrial Program	Cost Sharing 2020-21-E	Interconnect Global (Pvt.) Ltd	Shoe Upper Stitcher	(67,410)
112	Community Based Training	Sfml R2B	Jobs International (Pvt) Ltd.	Commercial Tailoring + Hand Embroidery	1,127,327
113	Community Based Training	Sfml R2B	Jobs International (Pvt) Ltd.	Commercial Tailoring + Hand Embroidery	1,050,329
114	Community Based Training	Sfml R2B	Jobs International (Pvt) Ltd.	Commercial Tailoring + Hand Embroidery	1,127,327
115	Community Based Training	Sfml R2B	Jobs International (Pvt) Ltd.	Commercial Tailoring + Hand Embroidery	1,050,329
116	Community Based Training	Sfml R2	Hassan Brothers (Pvt) Ltd	Commercial Tailoring + Hand Embroidery	990,907
					23,812,518

Annex-19
(Para 9.2.4.10)

Weak execution/curtailment of training programme in few districts
– Rs 1,697.184 million

Sr. No	Name of Scheme	Targeted No. of Districts	Actual Districts	Targeted No. of Trainees	Actual Trainees
1	AMAZON ASSISTANT VIRTUAL TRAINING PROGRAM	36	1	500	54
2	BPRE Agriculture 2019	10	3	10200	1965
3	BPRE Agriculture 2019A	5	3	9000	1781
4	ENTREPRENEURSHIP ON WHEELS 2019	36	2	800	384
5	ESFNMY - FTI	36	1	4200	757
6	ESFNMY - FTI (B)	36	1	150	25
7	ESFNMY - Industries	36	1	1200	165
8	Hybrid (Pilot) (e-Tayyar)-001	36	1	150	58
9	Hybrid (Pilot) (e-Tayyar)-002	36	1	150	50
10	Hybrid (Pilot) (e-Tayyar)-003	36	1	150	33
11	Hybrid (Pilot) (e-Tayyar)-004	36	1	150	40
12	Hybrid (Pilot) (e-Tayyar)-005	36	1	150	61
13	Hybrid (Pilot) (e-Tayyar)-006	36	1	150	54
14	Hybrid (Pilot) (e-Tayyar)-007	36	1	150	57
15	Hybrid (Pilot) (e-Tayyar)-008	36	1	150	27
16	INDUSTRIAL TRAINING PROGRAM 2020	36	1	2990	362
17	International Placements	36	1		27
18	ITP 2020 ROUND 2	36	1		1141
19	ITP 2021	36	1	3000	1162
20	ITP 2022 (Mahir)-001	14	3	420	81
21	ITP 2022 (Mahir)-004	14	3	420	83
22	ITP 2022 (Mahir)-007	14	1	830	31
23	ITP 2022 (Mahir)-008	14	1	420	14
24	ITP 2022 (Mahir)-009	14	1	840	168
25	ITP 2022 (Mahir)-013	14	2	840	122
26	ITP 2022 (Mahir)-014	14	1	420	32
27	ITP 2022 (Mahir)-015	14	1	420	26
28	ITP 2022 (Mahir)-016	14	4	420	25
29	SFDA 2022 (Umeed)-001	36	1	175	47
30	SFDA 2022 (Umeed)-002	36	0	875	45
31	SFDA 2022 (Umeed)-003	36	1	175	12
32	SFJ 2022-23 (Mahir)-001	36	1	150	47

33	SFJ 2022-23 (Mahir)-002	36	1	150	47
34	SFJ 2022-23 (Mahir)-003	36	1	150	67
35	SFJ 2022-23 (Mahir)-004	36	1	150	80
36	SFJ 2022-23 (Mahir)-005	36	1	150	53
37	SFJ 2022-23 (Mahir)-006	36	1	150	63
38	SFJ 2022-23 (Mahir)-007	36	1	150	44
39	SFJ 2022-23 (Mahir)-008	36	1	150	45
40	SFJ 2022-23 (Mahir)-009	36	1	150	50
41	SFJ 2022-23 (Mahir)-010	36	1	150	50
42	SFJ 2022-23 (Mahir)-011	36	1	150	53
43	SFJ 2022-23 (Mahir)-012	36	1	150	44
44	SFJ 2022-23 (Mahir)-013	36	1	150	77
45	SFJ 2022-23 (Mahir)-014	36	1	150	49
46	SFJ 2022-23 (Mahir)-015	36	1	150	75
47	SFJ 2022-23 (Mahir)-016	36	1	150	50
48	SFJ22 - Light Eng (Mahir)-001	36	3	350	110
49	SFJ22 - Light Eng (Mahir)-004	36	3	350	57
50	SFJ22 - Light Eng (Mahir)-008	36	5	350	189
51	SFJ22 - Light Eng (Mahir)-013	36	3	350	75
52	SFJ22 - Light Eng (Mahir)-016	36	2	350	63
53	SFJ22 - Light Eng (Mahir)-019	36	2	350	66
54	SFJ22 - Light Eng (Mahir)-022	36	3	350	125
55	SFJ22 - Light Eng (Mahir)-026	36	2	350	61
56	SFJ22 - Light Eng (Mahir)-029	36	2	350	74
57	SFJ22 - Light Eng (Mahir)-032	36	1	350	42
58	SFJ22 - Light Eng (Mahir)-033	36	4	350	106
59	SFJ22-Hospitality(Mahir)	9	5	225	103
60	SFJ22-Hospitality(Mahir)-001	9	2	225	79
61	SFJ22-Hospitality(Mahir)-008	9	4	225	151
62	SFJ22-Hospitality(Mahir)-012	9	4	225	99
63	SFJ22-Hospitality(Mahir)-013	9	4	225	93
64	SFJ22-Hospitality(Mahir)-021	9	1	225	43
65	SFJ22-Hospitality(Mahir)-022	9	2	225	94
66	SFJ22-Hospitality(Mahir)-024	9	6	225	96
67	SFJ22-Tex Con ICT (Mahir)-001	36	5	455	397
68	SFJ22-Tex Con ICT (Mahir)-007	36	4	455	312
69	SFJ22-Tex Con ICT (Mahir)-012	36	6	455	535
70	SFJ22-Tex Con ICT (Mahir)-018	36	6	455	398
71	SFJ22-Tex Con ICT (Mahir)-024	36	4	455	282
72	SFJ22-Tex Con ICT (Mahir)-027	36	6	455	472
73	SFJ22-Tex Con ICT (Mahir)-033	36	4	455	276
74	SFJ22-Tex Con ICT (Mahir)-039	36	4	455	311
75	SFJ22-Tex Con ICT (Mahir)-043	36	13	455	411
76	SFJ22-Tex Con ICT (Mahir)-051	36	2	455	198

77	SFJ22-Tex Con ICT (Mahir)-053	36	4	455	290
78	SFJ22-Tex Con ICT (Mahir)-057	36	3	455	215
79	SFJ22-Tex Con ICT (Mahir)-061	36	3	455	228
80	SFJ22-Tex Con ICT (Mahir)-065	36	5	455	342
81	SFJ22-Tex Con ICT (Mahir)-070	36	6	455	434
82	SFJ22-Tex Con ICT (Mahir)-076	36	5	455	243
83	SFJ22-Tex Con ICT (Mahir)-081	36	2	455	155
84	SFJ22-Tex Con ICT (Mahir)-085	36	1	455	99
85	SFJ22-Tex Con ICT (Mahir)-086	36	4	455	307
86	SFJ22-Tex Con ICT (Mahir)-090	36	5	455	365
87	SFJ22-Tex Con ICT (Mahir)-099	36	1	455	84
88	SFJ22-Tex Con ICT (Mahir)-100	36	5	455	392
89	SFJ22-Tex Con ICT (Mahir)-105	36	2	455	137
90	SFJ22-Tex Con ICT (Mahir)-107	36	4	455	353
91	SFJ22-Tex Con ICT (Mahir)-111	36	4	455	287
92	SFJ22-Tex Con ICT (Mahir)-116A	36	6	455	527
93	SFJ22-Tex Con ICT (Mahir)-122	36	6	455	484
94	SFML R2	36	2		675
95	SFML R2B	36	6		2602
96	SFNMY 22 (Umeed)-001	36	3	140	280
97	SFNMY 22 (Umeed)-002	36	2	140	124
98	SFNMY 22 (Umeed)-003	36	3	280	109
99	SFNMY 22 (Umeed)-007	36	5	140	155
100	SFNMY 22 (Umeed)-008	36	6	140	546
101	SFNMY 22 (Umeed)-009	36	2	140	52
102	SFNMY 22 (Umeed)-010	36	0	140	0
103	SFNMY 22 (Umeed)-015	36	5	140	83
104	SFNMY 22 (Umeed)-029	36	2	140	58
105	SFNMY 22 (Umeed)-034	36	1	140	23
106	Skills for ICT Sector	36	5	1960	2990
107	SKILLS FOR JOB 2020	36	3		8666
108	Skills for Job 2021	36	2	10400	4908
109	SKILLS FOR PERSONS WITH SPECIAL NEEDS	36	1		146
110	Skills for Self-Employment	10	5	1000	809
111	Skills Scholarship Initiative	36	3		354
112	SPSN (Ext)	36	1		166
113	TRAINING FOR PLACEMENT 2019-2020	36	1		755
114	Training for Placement 2020-21	36	1		505
115	TRAINING FOR PLACEMENT 20-21-A	36	1		1271
116	Training for Placement 3 ext	36	1		37
117	Training for Placement B	36	2		727

118	Training for Placement C	36	1		160
119	Virtual Accounting Assistant	36	1		92
120	WOMEN TRAINING IN LIVESTOCK MANAGEMENT 2020	9	8	12000	5574
	Total			86,730	51,910

Annex-20
(9.2.4.14)

Fake payment to TSPs for job placement of trainees confirmed telephonically-Rs 32.297 million.

Sr. No.	Project	TSP	Scheme	Completed Trainees	Employment payment
1	SDP	AIML COLLEGE	Skills for ICT Sector	16	5,300
2	SDP	ALA SPORTS	ITP 2021	21	107,069
3	SDP	ALLAMA IQBAL POLYTECHNIC INSTITUTE, KASUR	Skills for Job 2021	52	53,152
4	SDP	APPLIED TECHNOLOGIES INSTITUTE, NATIONAL LOGISTICS CELL PAKISTAN (ATIN NLC)	Skills for Job 2021	289	785,783
5	SDP	ATLAS VOCATIONAL TRAINING INSTITUTE SHEIKHUPURA	Training for Placement C	160	1,159,283
6	SDP	BRAINS COLLEGE OF INFORMATION TECHNOLOGY & HARDWARE ENGINEERING	Skills for ICT Sector	75	455,871
7	SDP	CHOLISTAN INSTITUTE OF TECHNICAL EDUCATION (CITE)	ESFNMY - FTI	22	4,230
8	SDP	CHOLISTAN INSTITUTE OF TECHNICAL EDUCATION (CITE)	Skills for Job 2021	45	5,310
9	SDP	COLLEGE OF TOURISM & HOTEL MANAGEMENT (COTHM)	Training for Placement B	231	1,577,926
10	SDP	COMBINED FABRICS LTD	ITP 2021	50	378,058
11	SDP	CRAFT CAMPUS OKARA	Skills for ICT Sector	93	496,750
12	SDP	Descon Training Institute	Skills for Job 2021	40	350,712
13	SDP	Descon Training Institute	Training for Placement B	367	2,682,029
14	SDP	DR ABDUL QADEER POLY TECHNIC INSTITUTE ELLAHABAD	Skills for ICT Sector	45	103,309
15	SDP	DR ABDUL QADEER POLY TECHNIC INSTITUTE ELLAHABAD	Skills for Job 2021	63	111,743
16	SDP	EXCLUSIVE INTERNATIONAL	Skills for Self-Employment	17	81,448
17	SDP	FALAH FOUNDATION	SPSN (Ext)	9	57,240
18	SDP	FARAN INSTITUTE OF TECHNOLOGY GUJRAT	ESFNMY - FTI	4	9,600
19	SDP	FARAN INSTITUTE OF TECHNOLOGY GUJRAT	Skills for Job 2021	430	851,012
20	SDP	FASHION INSTITUTE OF TECHNOLOGY FIT	Skills for ICT Sector	35	203,000
21	SDP	FUTURE VISION TECHNOLOGIES	Skills for ICT Sector	10	38,500

22	SDP	GAKHAR INSTITUTE OF TECHNOLOGY	Skills for Job 2021	60	491,444
23	SDP	GLAMOUR COSMETICS AND SALOON (PVT). LIMITED	Skills for Self-Employment	45	132,998
24	SDP	GLOBAL COLLEGE OF TECHNOLOGY	Skills for Job 2021	16	29,700
25	SDP	GREAT JINNAH COLLEGE OF TECHNOLOGY	Skills for Self-Employment	31	88,690
26	SDP	HAMZA POLY TECHNIC INSTITUTE	Skills for Job 2021	41	97,848
27	SDP	HASHOO HUNAR ASSOCIATION	Skills for Job 2021	28	162,000
28	SDP	HASILPUR SCIENCE COLLEGE FOR GIRLS	Skills for ICT Sector	28	43,680
29	SDP	HASNA WELFARE & DEVELOPMENT ORGANIZATION	SPSN (Ext)	24	156,288
30	SDP	HASSAN INSTITUTE OF TECHNOLOGY	Skills for ICT Sector	40	230,000
31	SDP	HERITAGE INTERNATIONAL COLLEGE	Skills for ICT Sector	79	252,883
32	SDP	HUNERKADA	ESFNMY - FTI	25	194,175
33	SDP	HUNERKADA	Skills for ICT Sector	47	264,500
34	SDP	HUNERKADA	Skills for Job 2021	41	331,500
35	SDP	IMPERIAL INSTITUTE OF SKILLS DEVELOPMENT	Skills for Job 2021	36	91,200
36	SDP	INFINITY INSTITUTE OF TECHNOLOGY (IIT) THROUGH RAVI INFINITY FOUNDATION	Skills for Job 2021	144	1,678,244
37	SDP	INFINITY INSTITUTE OF TECHNOLOGY (IIT) THROUGH RAVI INFINITY FOUNDATION	Training for Placement 2020-21	505	3,947,158
38	SDP	INTERCONNECT GLOBAL (PVT.) LTD	Cost Sharing 2020-21-B	7	28,500
39	SDP	IQRA TECHNICAL EDUCATION COMPLEX	TRAINING FOR PLACEMENT 20-21-A	148	166,648
40	SDP	Japan Poly Technic Institute-Kasur	Skills for Job 2021	58	74,921
41	SDP	JHANG POLYTECHNIC INSTITUTE	Skills for ICT Sector	98	216,600
42	SDP	K.B.S INTERNATIONAL	COST SHARING 2019	146	298,713
43	SDP	K.B.S INTERNATIONAL	Cost Sharing 2020-21-D	308	770,220
44	SDP	KABIR ENTERPRISES	ITP 2020 ROUND 2	14	21,622
45	SDP	KAY & EMMS (PVT.) LIMITED	Cost Sharing 2020-21-D	30	127,980
46	SDP	KNOWLEDGE HOUSE INSITUTE OF TECHNOLOGY, GOJRA	Skills for ICT Sector	48	121,000
47	SDP	LAHORE COLLEGE OF SCIENCE &	ESFNMY - FTI	69	375,880

		COMMERCE			
48	SDP	LAHORE COLLEGE OF SCIENCE & COMMERCE	Skills for ICT Sector	71	392,000
49	SDP	LEATHER PRODUCTS DEVELOPMENT INSTITUTE	SPSN (Ext)	13	187,000
50	SDP	LOFTEX LTD.	Cost Sharing 2020-21	24	64,552
51	SDP	LOGIX COLLEGE OF INFORMATION TECHNOLOGY & BUSINESS STUDIES	Skills for ICT Sector	60	261,911
52	SDP	MALAYSIAN INSTITUTE OF TECHNOLOGY DAROGHAWALA	ESFNMY - FTI	39	445,800
53	SDP	MALAYSIAN INSTITUTE OF TECHNOLOGY DAROGHAWALA	Skills for Job 2021	76	1,032,296
54	SDP	MASOOD TEXTILE MILLS	Cost Sharing 2020-21-C	97	180,300
55	SDP	Millat College Of Commerce Bahawalpur	Skills for ICT Sector	99	202,270
56	SDP	MS COMPUTER TECHNICAL TRAINING INSTITUTE	Skills for ICT Sector	19	7,073
57	SDP	MUSTERHAFT (PVT) LTD.	ITP 2020 ROUND 2	94	352,572
58	SDP	NADIA INTERNATIONAL (PRIVATE) LIMITED	ITP 2021	51	222,557
59	SDP	NATIONAL COLLEGE OF BUSINESS ADMINISTRATION AND ECONOMICS (NCBA&E)	Skills for ICT Sector	130	465,529
60	SDP	NATIONAL COLLEGE OF COMMERCE & COMPUTER SCIENCES	Skills for ICT Sector	22	90,400
61	SDP	NATIONAL COLLEGE OF ENGINEERING & TECHNOLOGY	Skills for ICT Sector	25	92,385
62	SDP	NATIONAL COLLEGE OF TECHNOLOGY	Skills for Job 2021	35	8,463
63	SDP	NATIONAL COLLEGE OF TECHNOLOGY	Skills for Self-Employment	25	108,630
64	SDP	NATIONAL INSTITUTE OF TECHNOLOGY	Skills for ICT Sector	22	11,000
65	SDP	ORFE GLOBAL	Cost Sharing 2020-21-D	142	517,320
66	SDP	PAKISTAN COLLEGE OF TECHNOLOGY MAILSI	Skills for Job 2021	22	5,008
67	SDP	PAKISTAN KNITWEAR TRAINING INSTITUTE	Training for Placement B	59	220,739
68	SDP	PAKISTAN READYMADE GARMENTS TECHNICAL TRAINING INSTITUTE (PRGTTI)	Skills for Job 2021	75	219,502
69	SDP	QADIR FOUNDATION BHAKKAR	Skills for ICT Sector	35	10,270
70	SDP	QUAID COLLEGE OF TECHNOLOGY, GAGGOO MANDI	Skills for Job 2021	16	28,980

71	SDP	QUAID-E-AZAM COLLEGE OF TECHNOLOGY-QILA DIDAR SINGH	Skills for Self-Employment	10	105,720
72	SDP	RAVI AUTOMOBILE PRIVATE LIMITED	ITP 2020 ROUND 2	185	2,083,275
73	SDP	RESOURCE MANAGEMENT GROUP	ESFNMY - FTI	32	283,100
74	SDP	RESOURCE MANAGEMENT GROUP	Skills for Job 2021	79	964,595
75	SDP	SEMITATION ENGINEERING PVT. LTD.	ITP 2021	5	4,328
76	SDP	SHAHEEN TECHNICAL AND VOCATIONAL COLLEGE, HAROONABAD	ESFNMY - FTI	25	77,220
77	SDP	SHAKARGANJ LIMITED	ITP 2020 ROUND 2	85	177,931
78	SDP	SOCIETY FOR SPECIAL PERSONS	SPSN (Ext)	28	183,240
79	SDP	SOS CHILDREN VILLAGE OF PAKISTAN	Skills for ICT Sector	17	5,500
80	SDP	SOS CHILDREN VILLAGE OF PAKISTAN	Skills for Job 2021	23	18,585
81	SDP	SPLENDOR SOLUTIONS	ITP 2021	15	21,977
82	SDP	STANDARD POLY TECHNIC INSTITUTE ZAFARWAL	Skills for Job 2021	27	20,718
83	SDP	STEP INSTITUTE OF PROFESSIONAL DEVELOPMENT	ESFNMY - FTI	28	120,000
84	SDP	STEP INSTITUTE OF PROFESSIONAL DEVELOPMENT	Skills for ICT Sector	48	28,750
85	SDP	TDCP-INSTITUTE OF TOURISM AND HOTEL MANAGEMENT, FAISALABAD	ESFNMY - FTI	27	287,500
86	SDP	TECHNOLOGY UPGRADATION AND SKILL DEVELOPMENT COMPANY	ITP 2021	66	1,484,134
87	SDP	THE CITY COLLEGE OF TECHNOLOGY, MULTAN	Skills for Job 2021	13	22,534
88	SDP	THE INFORMATICS COLLEGE OF IT	Skills for Job 2021	61	25,975
89	SDP	THE NATIONAL COLLEGE	ESFNMY - FTI	24	173,544
90	SDP	THE NATIONAL COLLEGE	Skills for ICT Sector	29	174,494
91	SDP	THE QUAID TECHNICAL INSTITUTE	Skills for Job 2021	25	43,778
92	SDP	THE STAR MUGHAL INDUSTRIES PVT. LTD.	Cost Sharing 2020-21-A	373	665,483
93	SDP	THE STAR MUGHAL INDUSTRIES PVT. LTD.	ESFNMY - Industries	10	69,122
94	SDP	TOYOTA CITY MOTORS PRIVATE LIMITED	ITP 2020 ROUND 2	25	49,869
95	SDP	UNITED COLLEGE OF TECHNOLOGY, BAHAWALPUR	Skills for Job 2021	36	31,801
96	SDP	UNITED COLLEGE OF TECHNOLOGY, LAYYAH	Skills for Job 2021	60	9,497
97	SDP	UNITED SOL PVT LTD	ITP 2021	6	23,276

98	SDP	ZEKI EXPERTS SOLUTIONS SMC-PRIVATE LIMITED	ITP 2020 ROUND 2	20	3,879
99	SYIG	LAHORE COLLEGE OF SCIENCE & COMMERCE	SFJ22-Hospitality(Mahir)-004	22	63,252
100	SYIG	MUX INSTITUTE OF PROFESSIONAL STUDIES	SFJ22-Hospitality(Mahir)-007	22	63,252
	Grand Total			6,867	32,324,599

Annex-21
(Para-9.2.4.15)

Irregular payment to the TSP involved in forged activity – Rs 18.923 million

Sr. No	Scheme	Project	Trade	Contractual Trainees per class	Start Date	Completion Date	Total Payment	Completed Trainees
1	SFJ22-Text Con ICT (Mahir)-118	SYIG	National Vocational Qualification Level 3 in Digital Marketing	25	01-02-2022	30-06-2022	424,842	21
2	SFJ22-Text Con ICT (Mahir)-118	SYIG	National Vocational Qualification Level 3 in Digital Marketing	25	01-02-2022	30-06-2022	414,633	20
3	SFJ22-Text Con ICT (Mahir)-118	SYIG	National Vocational Qualification Level 3 in Digital Marketing	25	01-02-2022	30-06-2022	258,535	13
4	SFJ22-Text Con ICT (Mahir)-118	SYIG	National Vocational Qualification Level 3 in Digital Marketing	25	01-02-2022	30-06-2022	435,488	22
5	SFJ22-Text Con ICT (Mahir)-124	SYIG	E-Commerce	25	01-02-2022	30-06-2022	256,520	14
6	SFJ22-Text Con ICT (Mahir)-124	SYIG	E-Commerce	25	01-02-2022	30-06-2022	435,120	22
7	SFJ22-Text Con ICT (Mahir)-124	SYIG	E-Commerce	25	01-02-2022	30-06-2022	396,380	20
8	SFJ22-Text Con ICT (Mahir)-124	SYIG	E-Commerce	25	01-02-2022	30-06-2022	353,720	17
9	SFJ22-Text Con ICT (Mahir)-047	SYIG	2D & 3D Drafting Using Auto CAD	25	01-04-2022	30-06-2022	91,796	13
10	SFJ22-Text Con ICT (Mahir)-047	SYIG	2D & 3D Drafting Using Auto CAD	25	01-04-2022	30-06-2022	71,232	13
13	SFJ22-Text Con ICT (Mahir)-087	SYIG	Call Center Agent	22	01-02-2022	30-06-2022	553,477	21

14	SFJ22-Tex Con ICT (Mahir)-087	SYIG	Call Center Agent	22	01-02-2022	30-06-2022	554,091	22
15	SFJ22-Tex Con ICT (Mahir)-087	SYIG	Call Center Agent	22	01-02-2022	30-06-2022	530,339	21
16	SFJ22-Tex Con ICT (Mahir)-102	SYIG	Computerised Accounting	25	01-04-2022	30-06-2022	273,873	23
17	SFJ22-Tex Con ICT (Mahir)-102	SYIG	Computerised Accounting	25	01-04-2022	30-06-2022	285,486	25
18	SFJ22-Tex Con ICT (Mahir)-102	SYIG	Computerised Accounting	25	01-04-2022	30-06-2022	272,906	23
24	TRAINING FOR PLACEMENT 2019-2020	SDP	Mobile Application Development	25	01-10-2020	31-03-2021	1,670,162	22
25	TRAINING FOR PLACEMENT 2019-2020	SDP	Call Center Agent	25	01-10-2020	31-03-2021	1,815,480	24
26	TRAINING FOR PLACEMENT 2019-2020	SDP	Call Center Agent	25	01-10-2020	31-03-2021	1,831,263	26
27	TRAINING FOR PLACEMENT 2019-2020	SDP	Graphic Designing	25	01-10-2020	31-03-2021	985,429	21
28	TRAINING FOR PLACEMENT 2019-2020	SDP	Graphic Designing	25	01-10-2020	31-03-2021	974,125	20
29	TRAINING FOR PLACEMENT 2019-2020	SDP	E-Commerce	25	01-10-2020	31-03-2021	896,289	20
30	TRAINING FOR PLACEMENT 2019-2020	SDP	E-Commerce	25	01-10-2020	31-03-2021	1,055,111	24
31	TRAINING FOR PLACEMENT 2019-2020	SDP	Web Design & Development	25	01-10-2020	31-03-2021	427,354	13
32	TRAINING FOR	SDP	Web Design & Development	25	01-10-2020	31-03-2021	650,751	19

	PLACEMENT 2019-2020							
33	TRAINING FOR PLACEMENT 2019-2020	SDP	Social Media Marketing	25	01-10-2020	31-03-2021	1,377,450	22
34	TRAINING FOR PLACEMENT 2019-2020	SDP	Social Media Marketing	25	01-10-2020	31-03-2021	1,374,800	22
35	TRAINING FOR PLACEMENT 2019-2020	SDP	Salesmanship	25	01-10-2020	31-12-2020	256,705	11
	Grand TOTAL			691			18,923,356	554

Annex- 22
(Para 9.2.4.17)

Irregular award of training services contracts to TSPs against unregistered trades-Rs 10.881 million

Sr. No.	Scheme	TSP	Class Code	Project	Trade	District of Training Centre	Total Payment	Completed Trainees
1	Skills for ICT Sector	CENTRE OF EXCELLENCE IN NETWORKING AND IT	SIT-1462-13181	SDP	Computer Hardware Technician	Rawalpindi	826,796	20
2	Skills for ICT Sector	CENTRE OF EXCELLENCE IN NETWORKING AND IT	SIT-1462-13182	SDP	Computer Hardware Technician	Rawalpindi	844,000	20
3	SFJ22-Tex Con ICT (Mahir)-109	CENTRE OF EXCELLENCE IN NETWORKING AND IT	JI24-1462-0001	SYIG	NVC Level 2 in ICT (Computer business Management /IT Office Assistant)	Rawalpindi	280,500	18
4	SFJ22-Tex Con ICT (Mahir)-109	CENTRE OF EXCELLENCE IN NETWORKING AND IT	JI24-1462-0002	SYIG	NVC Level 2 in ICT (Computer business Management /IT Office Assistant)	Rawalpindi	315,000	20
5	SFJ22-Tex Con ICT (Mahir)-109	CENTRE OF EXCELLENCE IN NETWORKING AND IT	JI24-1462-0003	SYIG	NVC Level 2 in ICT (Computer business Management /IT Office Assistant)	Rawalpindi	315,000	20
6	SFJ22-Tex Con ICT (Mahir)-109	CENTRE OF EXCELLENCE IN NETWORKING AND IT	JI24-1462-0004	SYIG	NVC Level 2 in ICT (Computer business Management /IT Office Assistant)	Rawalpindi	294,600	19
7	SKILLS FOR JOB 2020	CENTRE OF EXCELLENCE IN NETWORKING AND IT	J11-879-007	SDP	Computer Hardware Technician	Rawalpindi	525,360	16
8	SKILLS FOR JOB 2020	INFINITE TECHNOLOGIES AND VOCATIONAL TECHNICAL TRAINING CENTRE	J11-634-004	SDP	Domestic Tailoring	Lahore	344,800	24
11	Skills for ICT Sector	RAWALPINDI INSTITUTE OF TECHNOLOGY	SIT-1495-13248	SDP	Computer Hardware Technician	Rawalpindi	650,724	16
12	Skills for ICT Sector	RAWALPINDI INSTITUTE OF TECHNOLOGY	SIT-1495-13250	SDP	Computer Hardware Technician	Rawalpindi	772,826	19

13	Skills for ICT Sector	RAWALPINDI INSTITUTE TECHNOLOGY	OF	SIT-1495-13254	SDP	Telecom Technician (Line & Mobile)	Rawalpindi	325,495	15
14	Skills for ICT Sector	RAWALPINDI INSTITUTE TECHNOLOGY	OF	SIT-1495-13256	SDP	Telecom Technician (Line & Mobile)	Rawalpindi	446,380	15
15	SFJ22-Tex Con ICT (Mahir)-015	RAWALPINDI INSTITUTE TECHNOLOGY	OF	JT15-1495-0001	SYIG	Fashion Designing	Islamabad	459,135	25
16	SFJ22-Tex Con ICT (Mahir)-015	RAWALPINDI INSTITUTE TECHNOLOGY	OF	JT15-1495-0002	SYIG	Fashion Designing	Islamabad	450,145	25
17	SFJ22-Tex Con ICT (Mahir)-015	RAWALPINDI INSTITUTE TECHNOLOGY	OF	JT15-1495-0003	SYIG	Fashion Designing	Islamabad	455,390	26
18	SFJ22-Tex Con ICT (Mahir)-015	RAWALPINDI INSTITUTE TECHNOLOGY	OF	JT15-1495-0004	SYIG	Fashion Designing	Islamabad	435,165	24
19	SFJ22-Tex Con ICT (Mahir)-085	RAWALPINDI INSTITUTE TECHNOLOGY	OF	JC43-1495-0001	SYIG	Tile Fixing & Cutting	Islamabad	369,478	21
20	SFJ22-Tex Con ICT (Mahir)-085	RAWALPINDI INSTITUTE TECHNOLOGY	OF	JC43-1495-0002	SYIG	Tile Fixing & Cutting	Islamabad	452,393	25
21	SFJ22-Tex Con ICT (Mahir)-085	RAWALPINDI INSTITUTE TECHNOLOGY	OF	JC43-1495-0003	SYIG	Tile Fixing & Cutting	Islamabad	402,637	26
22	SFJ22-Tex Con ICT (Mahir)-085	RAWALPINDI INSTITUTE TECHNOLOGY	OF	JC43-1495-0004	SYIG	Tile Fixing & Cutting	Islamabad	383,034	27
23	SKILLS FOR JOB 2020	RAWALPINDI INSTITUTE TECHNOLOGY	OF	J11-305-002	SDP	Computer Hardware Technician	Rawalpindi	727,121	23
24	SKILLS FOR JOB 2020	RAWALPINDI INSTITUTE TECHNOLOGY	OF	J11-305-008	SDP	Home Appliance Repair	Rawalpindi	397,262	23
25	SKILLS FOR JOB 2020	RAWALPINDI INSTITUTE TECHNOLOGY	OF	J11-305-019	SDP	Telecom Technician (Line & Mobile)	Rawalpindi	408,106	15
		Total						10,881,347	

Annex-23
(Para-9.2.4.19)

Irregular hiring of Training Service Providers-Rs 67.249 million

Sr. No.	Name of TSP	Amount Paid
1	The Canadian Institute of Business & Technology, Rahim Yar Khan	537,000
2	College of International Skills Development, Lahore	5,969,761
3	Mux Institute of Professional Studies, Multan	2,189,098
4	Hasna Vocational Training Institute, Rawalpindi	1,660,624
5	Glamour Cosmetics and Saloon (SMC-Private) Limited, Rawalpindi	2081509
6	Qadir Foundation, Bhakkar	2,370,044
7	IUSE School of Technical Education run by Qalam Foundation, Rawalpindi	7,830,194
8	Edge System International College, Lahore	2,294,789
9	Hashoo Hunar Training Centre and Hashoo Hunar Association, Rawalpindi	1,371,100
10	Centre of Excellence in Networking and IT, Rawalpindi	10,721,492
11	Infinite Technologies & Vocational Technical Training Centre, Lahore (Consortium with M/s Devspot)	1,043,475
12	Rawalpindi Institute of Technology, Rawalpindi	20,213,588
13	Nimra Training Services Private Limited, Attock	253,925
14	Maheen Textile (Consortium with M/s Expression Sign Beauty)	8,712,304
	Total	67,248,903

Annex-24
(Para-9.2.4.20)

Non recovery of training fee from the TSPs-Rs 5.537 million

Sr. No.	Name	OB	Debit	Credit	Balance on 30.06.22
1	SP1141 - University of Management & Technology – UMT	(3)	355,790		355,786
2	SP1142 - Nishat Mills Limited	(2)	234,000		233,998
3	SP1143 - The Crescent Textile Mills Ltd	(7)	118,161		118,154
4	SP1155 - Pakistan Institute of Emerging Sciences (PIES)	(12)	1,200,723	940,985	259,726
5	SP1161 - Malaysian Institute of Technology	(0)	125,700		125,700
6	SP1180 - Lahore College Of Technology & Management	78,024	286,988	9,696	355,316
7	SP1214 - The City College of Technology, Multan	150,247	648,869	35,651	763,464
8	SP1226 - Dr Rashad Institute of Technical Education Attock	124,660			124,660
9	SP1235 - NFC Institute of Engineering of Technology Multan	876,148		71,280	804,868
10	SP1289 - City College of Technology	320,518		128,920	191,598
11	SP1291 - Depalpur Polytechnic Institute	4,875	142,628		147,503
12	SP1298 - Islamia College Fort Abbas	232,844		33,452	199,392
13	SP1313 - Shan College of Technology	118,431	101,208		219,639
14	SP1318 - TIMES School of Engineering Multan	118,434	20,683		139,117
15	SP1383 - DR. A.Q. Khan Institute of Technology	185,765	26,704	54,195	158,274
16	SP1398 –Thermosole Industries Pvt. Ltd	(26,266)	182,938	53,494	103,178
17	SP1454 - Tex Pak Pvt Ltd.	133,122	188,813	202,626	119,310
18	SP1502 - Bola Gema– Pakistan	264,095			264,095
19	SP1585 - Bell N Tell	115,178			115,178
20	SP1622 - Layyah Institute of Technology	22,087	100,990		123,077
21	SP1696 - Faces Pakistan-Formation, Awareness, and Community Empowerment Society	(1)	190,205	53,130	137,075
22	SP1708 - Beacon Impex (PVT) Ltd.		164,478	62,478	102,000
23	SP1728 - Interconnect Global (Pvt.) Ltd	269,690		28,500	241,190
24	SP1753 - Semitation engineering Pvt. Ltd.	88,890	50,551	4,328	135,113
	Grand Total				5,537,410

Annex-25
(Para-12.2.4.4)

Non recovery from doctors due to mis-utilization of loans – Rs 6.571 million

Sr No.	Name of Loanee	Address	Date of Disbursement	Amount Approved / Released	Amount Received	Outstanding Amount	Mis utilization Notification
1	Dr. Imtiaz Sadiq	Village Bahadurpura, Tehsil and District Kasur.	16-Aug-11	400,000	400,000	127,826	Clinic not Established , Mis utilization notification was Issued to loanee dated 27.05.2014
2	Dr. Muhammad Altaf	Dental Excellence, Al-Shifa Medical Store, Opp: Piracha Petrol Pump, Choubara Road, Layyah.	12-Aug-08	400,000	400,000	416,240	Clinic not Established , Mis utilization notification was Issued to loanee dated 01.06.2014
3	Dr. Shahid Raza	Chak No.119/TDA, Layyah	23-Aug-11	400,000	400,000	234,150	Clinic not Established , Mis utilization notification was Issued to loanee dated 14.05.2014
4	Dr. Kausar Abbas	Chah Ahmad Yarzour Wala Muza Bait Gujji PO Kot Sultan, Tehsil Layyah	26-Feb-09	400,000	400,000	445,885	Clinic not Established , Mis utilization notification was Issued to loanee dated 25.06.2014
5	Dr. Safdar Abbas	Saeed Medical Complex and Un-Zalna Kidney Care Centre, Gojra Road, JhangSaddar.	02-Dec-10	1,458,000	1,458,000	1,126,930	Clinic not Established , Mis utilization notification was Issued to loanee dated 10.06.2014

6	Dr. Ghulam Yasin	Mouza Lohanch, Thal Kalan, Tehsil and District Layyah.	01-Sep-07	400,000	400,000	324,028	Clinic not Established , Mis utilization notification was Issued to loanee dated 10.06.2014
7	Dr. Mubeen Salik	11-Rehmania Colony, Vehari.	28-Apr-08	400,000	400,000	347,215	Clinic not Established , Mis utilization notification was Issued to loanee dated 23.07.2014
8	Dr. Munawar Hussain	Bashir Surgical Hospital Hospital Road Dijkot District Faisalabad	03-Sep-07	1,200,000	1,200,000	371,908	Clinic not Established , Mis utilization notification was Issued to loanee dated 30.12.2014
9	Dr. Muhammad Irfan Shahzad	H.No.D-125/A Mohallah Hashim Shah, Mianwali	30-Dec-09	400,000	400,000	305,752	Clinic not Established , Mis utilization notification was Issued to loanee dated 21.10.2015
10	Dr. Saima Batool	Khawaja Fareed Clinic, Eid Gah Road, Layyah	22-Feb-05	400,000	400,000	390,011	Working in DHQ Layyah, Mis utilization notification was Issued to loanee dated 04.02.2016

11	Dr. Siraj Ahmad	Al-Siraj Hospital, ChowkZahirPir, Tehsil Khanpur District Rahim Yar Khan	10-May-18	2,500,000	2,500,000	1,179,938	Medical equipment not as per approval, Mis utilization notification was Issued to loanee dated 19.08.2020
12	Dr. Khalid Mehmood	Ali Medical Complex, Baldia Road, Chishtian, District Bahawalnagar	05-Jul-18	2,500,000	1,406,250	1,301,688	Medical equipment not as per approval, Mis utilization notification was Issued to loanee dated 19.08.2021
	Grand Total			10,858,000	9,764,250	6,571,571	

Annex-26
(Para-12.2.4.4)

**Non auction of properties despite issuance of recovery certificates from
Revenue Department Rs 26.480 million**

Sr. No .	Name of Loanee / District/ loan Disbursed Year	Loan Released	Principal Outstanding	Surcharge	Misutilization	Total Outstanding	RC Issuance Date
1	Social Welfare Society, Lahore (2000)	500,000	375,000	106,250	0	481,250	14/10/2004
2	Dr. Iffat Awais, Lahore (2008)	1,500,000	0	408,800	0	408,800	16/12/2016
3	Dr. Ali Nawaz, Lahore (2010)	1,500,000	375,000	896,648	0	1,271,648	03/09/2022
4	Dr. Rasheed Arshad, Muridkey (2001)	800,000	760,000	132,800	0	892,800	09/06/2005
5	Dr. Waheed Akhtar (2004)	1,129,000	0	269,995	0	269,995	02/02/2012
6	Dr. Humaira Arshad, Faisalabad (2006)	1,200,000	1,080,000	860,400	0	1,940,400	29/11/2016
7	Dr. Sultan Ahmad, Faisalabad (2001)	1,200,000	0	396,000	0	396,000	03/03/2012
9	Zakria Welfair Development Association, Multan (2004)	1,200,000	0	299,998	0	299,998	17/07/2009
8	Dr. Mehar Muhammad Naeem , Multan (2003)	1,100,000	0	656,401	0	656,401	01/06/2007
10	Dr. Imtiaz Ahmad, Multan (2006)	1,200,000	0	0	1,069,600	1,069,600	16/12/2016
11	Volunteer Agency of Human Development ,	1,200,000	1,125,000	360,000	1,710,075	3,195,075	16/12/2016

	Multan (2008)						
12	Society for Uplifting Community, Multan (2004)	1,200,000	1,200,000	288,000	953,700	2,441,700	17/07/2009
13	Dr. Muhammad Nasir wakeel, Muzzafargrah (2009)	400,000	0	24,200	215,525	239,725	29/11/2016
14	Dr. Muhammad Asad Faraz, Muzzafargrah (2009)	400,000	0	23,733	225,160	248,893	29/11/2016
15	Dr. Muhammad Jaffar wakeel, Muzaffargarh (2009)	400,000	50,000	580,000	389,360	1,019,360	03/10/2022
16	Idara Khidmat e Awam Muzaffargarh (2002)	1,200,000	300,000	320,400	0	620,400	07/08/2012
17	Al Mehmood Welafir Organization, Layyah (2007)	1,400,000	962,500	210,000	592,515	1,765,015	21/02/2012
18	Ehsas Welfair Society, Layyah (2006)	1,500,000	843,750	97,500	1,338,525	2,279,775	21/02/2012
19	Dr. Hassan Ali, Layyah (2009)	400,000	0	0	335,612	335,612	29/11/2016
20	Dr. MUhammad Asif Merani (2011)	750,000	750,000	0	411,000	1,161,000	16/12/2016
21	Dr. Muhammad Sher Zaman, Layyah (2004)	400,000	0	0	371,908	371,908	16/12/2016
22	Dr. Samina Yasmeen, Layyah (2005)	1,200,000	0	0	1,191,206	1,191,206	29/11/2016
23	Dr. Muhammad Abuzar Sherani , Dera Ghazi Khan (2004)	1,200,000	827,500	1,303,778	0	2,131,278	17/09/2009
24	Dr. Tariq Basheer, Bahawalpur	400,000	0	8,000	79,113	87,113	03/10/2022

	(2008)						
25	Dr. Sadaf Yahiya, Sialkot (2003)	425,000	0	200,926	0	200,926	07/08/2012
26	Dr. Muhammad Naseer, Attock (2005)	1,200,000	350,000	1,155,000	0	1,505,000	16/12/2016
Grand Total		25,004,000	8,998,750	8,598,829	8,883,299	26,480,878	

Annex-27
(Para-13.1.4.1)

Non-recovery of proven irregularities and embezzlement – Rs 57.734 million

Name	Designation	Name of Institute	Nature of irregularity and embezzlement
Mr. Abdul Rehman	Incharge Ex-Principal (BS-19), (GCT, Muzaffargarh)	GCT, FSD	An Embezzlement of Rs 172,012 was found in POL head whereby bogus entries have been made in the Log Book of Generator.
Mr. Shoukat Raza Khan	Presently posted as Chief Instructor (BS-19) Superintendent, GCT, Muzaffargarh	GCT, Multan	Embezzled Rs 113,815 due to showing high consumption of diesel in newly purchased Hino Bus by obtaining bogus fuel consumption certificate.
Mr. Saqlain Nawaz	(presently posted as Registrar (BS-17) Driver (GCT, Muzaffargarh)	GCT, Muzaffargarh	An amount of Rs 273,153 was not recovered as canteen rent from Naib Qasid daily wagger who was running canteen illegally by occupying the two hostel rooms as well as he was utilizing the electricity from the institute.
			Recovery of Rs 124,125/- is pending against Incharge Principal on account of bogus / over drawn of Travelling and Daily Allowance.
			An amount of Rs 1,179,945 on account of TEVTA fee from students in cash in violation of TEVTA Fee notification. The said fee was deposited in the bank after the elapse of three months. There is likelihood of embezzlement of Rs 258,540/- in collection of fee from students besides temporary embezzlement of Rs 1,179,945.
			An amount of Rs 6,150 was drawn illegally by Mr. Shoukat Raza in lieu of remuneration from RPL as Shop Assistant which is recoverable from him.
			An expenditure of Rs 1,343,315/- has been incurred on hiring of daily wage staff without any sanctioned post. Further, security guards have been hired privately instead of from any registered security company in Violation of PPRA Rules.
			It has been observed that neither any training material has been purchased nor the same has been provided to 139 students of 1 st year DAE, Electrical-Mechanical, & Civil in the year 2014-2015. The provision of training material for practical training @ Rs 410 per student / PM (Rs 512,910) was mandatory but all the funds were misused in POL.TA/DA.
Syed Asif Munir,	Former Director, (BS-19), (Retired from government service w.e.f. 22.01.2023)	GSTC, Mughal pura	Syed Asif Munir, an officer of Punjab TEVTA, while posted as Director (Waseela-e-Rozgar Coordination w.e.f 18.10.2012 to 17.10.2017) held responsible along with other officers for their gross-negligence which resulted in a loss of Rs 40, 445, 444/- to the government exchequer.
Mr.Saleh Muhamad,	Workshop Manager / DDO, PS-16.	GTTC, Isa Khel	Financial irregularities during financial years 2020-21.
Mr.Youn			Poor administrative and financial management.
			Corruption in handling financial matters of the institute.

as Masih, Hafiz Rasheed Ahmed Shah,	Instructor/C o- Signatory/ PS-14 Jr. Clerk, PS-11		
Ms. Abida Parveen	Principal, (PS-18)	GTTI (W), Shah Rukn-e- Alam colony, Multan.	She failed to comply with the instructions of authority conveyed through letter No. TEVTA /F. Audit / 03-07/2014 dated 25.02.2014, by not installing separate Electricity Meters at official residence of the college up till now.
Mr. Muham mad Javed	Principal (BS-19)	GCT, Bahawal pur	Excess payment drawn Rs 7,65,556 on account of remuneration to non-teaching staff in violation of TEVTA notification. He has been drawn Rs 1,849,922 on account of payment to teaching staff without preparing proper record of students, attendance by each teacher. misappropriations have been noticed in payments. Misappropriation / embezzlement of Rs 32,500/- has been noticed in the payment of stipend to the students.
Mr. Muham mad Khalid	Instructor / Lab Instructor (Fitter General), PS-14,	GTTI, Lodhera n	“Intentionally hiding and manipulating the facts regarding purchase of training material for the trade of Fitter General against Principal GTTI Lodhran”. “Poor enrolment in the trade of Fitter General for the last three years at GTTI, Lodhran”. “Negligence and inefficiency in performing official duties.”
Mr. Asad Abbas	Lecturer Management / Commerce, (PS-17),	GCT Muzaffar garh	Mr. Asad Abbas deliberately concealed the facts about his M.Phil degree and deceived the NTS management to get M.Phil. / Higher Qualification Marks (8.5/10) leading to secure a position in TEVTA by depriving the eligible candidate.
Mr. Shahi d Saleem	Head Clerk / Apprentices hip Officer (PS-16)	RDAT, Multan	Certificate of apprenticeship fake/tempered details and fake signatures of Deputy Director RDAT, Multan.
Mr. Raja Idress,	Cashier / Ex- Show room Incharge, (PS-14)	IBPD, Multan	a) Shortage of following finished items of showroom IBPD, Multan. i. 7014 Nos. of items category “A”. i. 7685 Nos. of items category “B”.
Mr. Umer Shahzad,	District Director, (PS-18), TEVTA	Jhang & T.T Singh	He exercised the powers of higher officer while delegating the Additional Charge of Principal, (PS-18), GTTI, Kamalia to Mr. Amir Ali, Sr. Instructor (Mechanical), (PS-16), GTTI, Kamalia.
Ms. Misb	Principal, PS	GVTI(W	She caused financial loss to government in shape of house rent / maintenance

ah Almas	-17,	), Vehari	charges and electricity charges by allowing an outsider to reside in the hostel, building inside staff colony of GVTI (W), Vehari.
Ms. Misbah Almas,	Principal, PS-17,	GVTI(W), Vehari	She misused her authority and illegally allowed an outsider namely Mr. Asghar Ali, to reside in the hostel building inside staff colony of GVTI (W), Vehari. She tried to mislead and cheat the authority by submitting contradictory statements regarding the period of stay of an outsider Mr. Asghar Ali, in the hostel building, inside staff colony of GVTI (W), Vehari. She caused financial loss to government in shape of house rent / maintenance charges and electricity charges by allowing an outsider to reside in the hostel, building inside staff colony of GVTI (W), Vehari.
Mr. Safdar Iqbal	Chief Instructor (RTD)	GCT, Railway Road, Lahore Unlawful receiving salary from college w.e.f 06-06-2015 to 14-12-2015 and 01-06-2013 to 14-12-2015.	He was transferred from Government College of Technology, Raiwind Road, Lahore to Government College of Technology, Railway Road, Lahore vide order dated 28.05.2013. Having been relieved from GCT, Raiwind Road, Lahore on 31.05.2013, he was required to report for duty on 01.06.2013 at GCT, Railway Road, Lahore. He failed to do so. As such, he is guilty of misconduct on account of willful absence. 2. He did not comply with the transfer order and did not report for duty at the new place of posting. In defiance, he sought resort to legal action and filed varied writ petitions in the Lahore High Court, Lahore which were disposed of in due course of time. 3. Even after his writ petitions were disposed of, he did not join his duties for six months i.e. from 06.06.2015 to 14.12.2015. He is guilty of misconduct on account of remaining absent from duty for six months. Moreover, he is guilty of misconduct on account of receiving unlawful salary since 01.06.2013 to 14.12.2015, the period during which did not perform any duty but kept on drawing salary unlawfully.
Mr. Roshan Bakht Chohan Mr. Muhammad Zafar Mr. Muhammad Arif.	Former Workshop Manager, BS-16 (PSIC employer), (Retired w.e.f 31.01.2022) Forman (Auto) PS-11 Skilled worker, PS-08	GTTC Kot Addu GTTC Kot Addu GTTC Kot Addu	No training is being conducted in the institute in regular & HNP courses. Fake trainees were admitted and fake attendance was being marked. (Financial impact to be checked)

Mr. Abdul Rashid Akhtar, Mr. Muhammad Abdul Latif Khan, Mr. Muhammad Muqarab Khan, Mr. Muhammad Afzal,	Stenographer (BS-15), Stenographer (BS-15), Store Keeper (BS-08), Naib Qasid (BS-04),	GVTI (W), Mianwali. GTTI, Mianwali. GVTI (W), Isa Khel. GVTI (W), ABAD Mianwali	They got illegal selection grade w.e.f 1994 granted on 22.07.2003 by the then District Manager, TEVTA Bhakkar / Mianwali on the basis of Departmental Promotion Committee meeting on 15.07.2003, which is unlawful, baseless and unjustified.
Ms. Hina Saeed Khan, (BS-19),	Chief Instructor (Bio Medical Technology) ,	GCT, Raiwind Road, Lahore presently posted at GCT (Printing & Graphics Arts), Lahore	Willful absence from duty without permission w.e.f 01.10.2013 to date. Not depositing salaries amounting to Rs 13, 47,054/- illegally drawn during Ex-Pakistan leave from Oct 2012 to Nov 2013.
Mr. Changaiz Khan, Mr. Usman Ghafoor,	Ex-Principal Ex-IT Instructor / HOD, GCT, Rawalpindi.		i. A total of 178 desktop computers (138 from M/S The Explorer and 40 from M/S Hafsa International Lahore) were received on 21.03.2016 at GCT Rawalpindi and inspected on same day. None of the supplies was rejected by the inspection committee and the bills were processed for payment through District Manager, TEVTA, Rawalpindi. ii. As per institute records, issuance of Desktop computers from store to concerned labs is detailed as below: Sr. No Department / Lab No. of Computers Issued Requisition from No. Issue Date 1 Computer & IT Lab 50 801 18.06.2016 2 Computer & IT Lab 73 813 19.08.2016 3 Computer & IT Lab 26 816 31.08.2016 4 Computer & IT Lab 05 821 30.09.2016 iii. 01 No. computer in CCA Lab, on 29.06.2016 and 02 No. computer in Web Designing Lab, on 22.09.2016 were reported to be defective. Instead of

			getting the faults rectified from supplier under warranty, the Principal GCT, Rawalpindi directed Store Officer to replace the faulty computers. iv. The institute Probe Committee in its report on 15.11.2016 reported Mr. Nouman Javed is guilty of missing internal parts of computers, however, the committee neither reported any proof nor referred to any evidence / record in order to establish theft charge against the complainant. v. As per institution record, 73 computers against requisition from no. 813 were received by Mr. Usman Ghafoor, IT Instructor on 19.08.2016. The Probe Committee (constituted by DM RWP) reported that these computers were unpacked on same day i.e. 19.08.2016 by Mr. Touseef Qureshi, daily wages Lab Technician, Mr. Azeem Saleem, daily wages Naib Qasid and Mr. Muhammad Waqar, daily wages Naib Qasid. Whereas, institute record as well as Probe Committee reports show that the daily wages staff was hired w.e.f 01.09.2016, 25.08.2016 and 26.08.2016, respectively vide order No. GCT/RWP/ADMN/233 dated 06.10.2016. This shows a contradiction of unpacking date of computers with the joining dates of said staff. Therefore, the Probe Committee did not consider the fact that after issuance from the store, computers were kept in lab for more than 10 days. vi. Mr. Touseef Qureshi was hired as Lab Technician Computer w.e.f 01.09.2016 vide order No. GCT/RWP/ADMN/233 dated 06.10.2016 for 89 days. Afterwards, he was again hired as Office Clerk w.e.f 29.11.2016 vide order no. GCT/RWP/Admin/408 dated 02.12.2016 for 89 days. However he left the institute w.e.f 06.12.2016.
Mr. Abdul Razzaq,	Sr.Clerk / Storekeeper,	GTTI, Mughalpura, Lahore. Absent from duty	Case is under process due to the cost of the items are being define by the store officer / store keeper of GTTI, Mughalpura, Lahore.
Ms. Samina Habib Ms. Rukhsana Bibi Ms. Ferzana Manzoor Syed	Principal / Convener, PS-17 Junior Trade Instructor / Member Beautician Instructor (Visiting) / Subject Specialist Head Clerk /	GVTI (W), Bahawalnagar. GVTI (W), Bahawalnagar. GVTI (W), Mandi Madrassa.	“Irregularities observed in the hiring of visiting faculty at GVTI(W), Bahawalnagar for Beautician TEVTA Regular Short Course (06 Months w.e.f 01.07.2021) and NAVTTC Evening Class (03 months we.f 12.04.2021 to 11.07.2021), Domestic Tailoring / Dress Making NAVTTC Evening Class and CCA TEVTA Regular Short Course (06 months w.e.f 16.03.2021). Procedural lapses occurred in the hiring of Instructors (Beautician, DT /DM & CCA) due to the negligence and inefficiency of the Selection Committee caused defamation to the reputation of the Department”.

Shamshad Ali	Secretary	GVTI (W), Bahawalnagar.	
Mr. Asif Iqbal Akhtar	Workshop Manager PS-16	GTTC, Haroonabad.	1) At the time of the interview by the NAVTTC Representative for shortlisted training under two trades i.e Computer Applications & Office Professional and Industrial Electrician, Mr. Asif Iqbal Akhtar, Workshop Manager, GTTC, Haroonabad was more inclined for successful completion in Shaheen Technical & Vocational College, Haroonabad (Owned by his Wife) then the GTTC, Haroonabad, which is a clear case of conflict of interest and shows his dishonestly with the TEVTA. 2) Due to malpractices of Mr. Asif Iqbal Akhtar, Workshop Manager, GTTC, Haroonabad, the NAVTTC dropped the courses of Computer Applications & Office Professional and Industrial Electrician from GTTC, Haroonabad which cause loss to the TEVTA. 3) As per report of the NAVTTC, an Instructor of GTTC, Haroonabad appear as candidate in the interview at Shaheen Technical & Vocational College, Haroonabad.
Mr. Muhammad Akram Bhatti, Mr. Muhammad Javed,	Principal (BS-19), Instructor / Coordinator of short courses	Government College of Technology, Bahawalpur Government College of Technology, Bahawalpur.	The Principal, GCT, Bahawalpur entered into an agreement with Punjab Skill Development Fund for Rs 9,616,935/- directly. He has not been delegated with such powers by the Competent Authority to enter into third party agreement without prior approval. An amount of Rs 7,65,556/- has been drawn on account of remuneration to non-teaching staff in violation of TEVTA notification. Excess payment drawn is unauthorized and illegal which must be recovered. The principal, GCT, Bahawalpur has drawn Rs 1,849,922/- on account of payment to teaching staff without preparing proper record of students, attendance by each teacher. A number of serious irregularities / misappropriations have been noticed in payments. A brief is given as under: a) No student attendance register has been maintained by concerned teacher to verify the number of lectures delivered in a month and payment made to them. b) Excess payment of rupees 50 / lecture has been made to DAE staff in violation of TEVTA notification. c) The office orders issued by the Principal to engage the teaching staff in the City and Guild Courses seems doubtful as dispatch numbers mentioned in the office orders does not match with the entry made into the dispatch register in most cases. d) As per time table Eng. Rafey was engaged on 21.04.14 in class 4565-03 (Level 5) Mechanical but no payment was made to him throughout the session. As per time table 15 periods per week were allocated to him. It is puzzling as to how the credit hours were completed if he did not teach classes. e) An amount of Rs 24,840/- was paid to Mr. Hammad Hassan Gilani in the month September & October 2014, but no period was allocated to him in the time table. f) Mr. Muhammad Abdullah was engaged in the month of May 2014. As per time table 16 periods per month were allocated to him but payment of rupees

			255 periods was made. Resultantly, an excess payment of Rs 61,200/- had been made to him. 1. Misappropriation / embezzlement of Rs 32,500/- has been noticed in the payment of stipend to the students. 2. A purchase of student chairs valuing Rs 339,582/- has been made out of PSDF funded courses. He was not authorized to incur such expenditure out of this fund. Further, violation of PPRA Rules has also been observed. Physical verification of chairs purchased should have been carried out. 3. The Principal has made purchase of bags and uniforms for Rs 209,020/- without tender advertisement in violation of PPRA Rules. 4. An amount of Rs 232,043/- on account of withholding tax has not been deducted in violation of income tax law. The Principal is liable to payback the said amount.
Ms. Shehnaz Aslam,	Chief Instructor, PS-17,	GTTI (W), Dhoke Syedan, Rawalpindi	Misconduct & inefficiency. 06.12.2021 (Direct Show cause)
Mr. Anwar Ul Haq, Mr. Muhammad Arshad,	Assistant Agriculture Engineer/D DO, PS-17 Jr.Clerk/Co-signatory, PS-11	Agricultural Machinery Training School, Bahawalpur. Agricultural Machinery Training School, Bahawalpur.	1. An expenditure of Rs 175,995/- has been incurred on the purchase of plants and pots (Rs 30,840/-), wire, (Rs 39,000/-), lime powder (Rs 10,764/-), CCTV cameras (Rs 27,010/-), coal (Rs 11,002/-), misc., purchases (40,999/-) and repair of computers (16,380/-) without completing codal formalities. The purchases seem to be doubtful. 2. Loss of Rs 14,337/- on account of late payment of electricity bills (Rs 60,69/-) and repair of main cable (Rs 8,268/-). Doubtful purchase of diesel amounting to Rs 193,738/-. Further Loss of Rs 9,805 due to purchase of diesel from generator supplier at higher rates. Unauthorized payment of TA/DA amounting to Rs 42,700/-. Non observance of authority instructions resulting in: a. Late deposit of withholding tax. b. Cash withdrawn from bank beyond Rs 10,000/-. c. Non preparation of proper record which includes cash book, history sheet, budget control register, dead stock register and loan taken from other institutes. d. Unauthorized utilization of Rs 199,948/- bank profit and auction income without approval of competent authority.
Mr. Yousaf Jameel,	Junior Clerk,	GTTI, Mughalpura, Lahore.	Absent from duty w.e.f 12.04.2021.
Mr. Muhammad Sarwar	Mali, (PS-02)	GCT Sialkot	Absent from Duty.
Mr.	Head Clerk,	GTTI,	Failure to handling and taking over the complete charge of main store of GTTI,

Javaid Iqbal Mr. Riaz Ahmed	BS-16, Junior Clerk, BS-11	Daulat Gate, Multan. Store Keeper, GTTI, Khanewal Road, Multan	Khanewal Road, Multan which is pending since 2013.
Mr. Amanat Ali	Maintenance Supervisor (PS-11)	GCT, Allama Iqbal Town Lahore.	For stealing the following items from college premises: 4 Core Wire from hostel building. UPS from main hall. An Iron Bed from hostel building.
Mr. Liaqat Ali,	Store Keeper BS-11	GCT, Multan	Embezzlement of 290 feet 04 core copper power cable worth Rs 730,800 (as on 2019)
Ms. Samina Habib,	Principal, PS-17	GVTI (W), Bahawal nagar	Misconduct arising due to shifting of rented building of GVTI (W), Addah Abdullah To Mandi Madrassa in violation of SOP's for shifting of an institute to a rented building.
Mr. Asif Niaz,	Jr. Clerk (PS-11),	GVTI(W), Lodhera n	Misconduct with the Principal & IT Instructor at Government Vocational Training Institute (W), Lodhran. Negligence and inefficiency in performing official duties. Engagement in nefarious and subversive activities in the premises of institute.
Mr. Muhammad Rameez,	Instructor (Machinist)	GTTI D.Gate Multan	Using delaying tactics to hand over the charge of basic training / fitter general. Tempering the record under his custody. Succeeded to get signature of Principal GTTI D.Gate Multan on the said record by hood winking in the eyes of Principal.
Mr. Muhammad Mushtaq Mr. Ahmad Wajeesh,	Principal (BS-18), Vice Principal / Co-signatory (BS-17),	GTTI Depalpur GTTI Depalpur	Instigation for misappropriation by Muhammad Mushtaq Principal to accommodate Mr. Ahmad Wajeesh Vice Principal / co-signatory out of HNP program payments. Offering of monetary benefits to Mr. Ahmad Wajeesh, vice Principal / co-signatory by instructional staff of HNP program. Receiving of Rs 4500/- by Mr. Ahmad Wajeesh, vice Principal / co-signatory out of the share of Principal and clerical staff. Receiving of Rs 8500/- by Mr. Ahmad Wajeesh, vice Principal / co-signatory from Instructional staff of HNP program to sign the bill for the month of January-2022. Demand of Rs 18000/- by Mr. Ahmad Wajeesh, vice Principal / co-signatory to sign the bills for the month of February and March- 2022 for HNP program.
Syed Ashraf Hussain	Workshop Manager (BS-16),	GTTC-Tranda	Fake attendance of trainees, poor administrative / academic performance, inefficiency and non-compliance of the order of authority

Muham mad Pannah. Syed Muham mad Habib Shah Mr. Muham mad Ayub Mr. Jamil Akhtar,	Foreman Mechanical (BS-14), Skilled Worker (BS- 08) Skilled Worker (BS- 08),	GTTC- TMP GTTC- TMP. GTTC- TMP.	
Mst. Rashida Ibrahim, Mr. Arsalan Jamil Mr. Muham mad Aslam	Principal (PS-17). Hostel Superintende nt / Jr. Clerk (PS-05). Sweeper, (PS-01),	GVTI (W), Mandi Madressa, Bahawal nagar.	Illegally managed the making of fake attendance of 23 days w.e.f 04-03-2022 to 31-03-2022 in respect of Mst. Tahira Niaz, Visiting Instructor (English) during her absence on account of maternity leave and paid remuneration of Rs 11040/- (Charge against at sr. no. 01). Disclosure of official documents (Charge against at sr. no. 02)
Mr. Muham mad Jaffar	Naib Qasid, GTTI	Bahawal nagar	i. Absence from duty without approval of leave. i. Conduct prejudicial to good order & service discipline. i. Conduct unbecoming towards the decorum of the job and brought women in the premises of the institute late at night.
Mr. Mudassa r Iqbal Akhtar Alvi	Supervisor Electrical (PS-11)	GTTC, Arifwala	The accused official open the cross cheque No. 7081828779 dated 15.08.2022 of amounting to Rs 16590/- by forging the signature of the Manager, GTTC, Arifwala. The accused official has also self-hired a boy namely "Muhammad Yasin" in the GTTC Arifwala and this boy has completed access to all authorized offices and classes of the GTTC, Arifwala.
Mr. Shahid Saleem,	Head Clerk / Apprentices hip Officer (PS-16)	RDAT, Multan	Non-accomplishment of the official assignment of handing over the complete charge of apprenticeship certificates. Tempering the original certificates of apprenticeship. Forwarding of two fake letters to NAVTTC on the subject "Verification apprenticeship certificate" with fake/tempered details and fake signatures of Deputy Director RDAT, Multan.
Mr. Azhar	Store Keeper (PS-11)	GVTI (W)	Shortage of store items and fixed assets at GVTIW Bahawalnagar

Iqbal		Bahawal nagar	
Mr. Mazhar Hussain Mr. Muhammad Waseem Akram,	Jr. Instructor (Civil) BS-14 Gestetnor Operator, PS-05,	GCT, PAF Road, Sargodha GTTI, 47 NB Sargodha.	Misappropriation of official record from the personal file of MR. Mazhar Hussain, Ex-Junior Trade Instructor Draftsman, BS-14, GTTI, 47 NB Sargodha. Tempering / forging the transfer order dated 21.04.2011 issued in favour of Mr. Mazhar Hussain, by changing the actual contents of the orders and putting bogus signatures of the District director, TEVTA Sargodha.
Mr. Nadir Ali Bangash, Mr. Muhammad Yahya	Instructor (BS-14) Chowkidar	GTTI Gujranwala GTTI Gujranwala	(1)&(2) Forfeiture of last 03 years' service
Mr. Amjad Saleem	Senior Instructor (Mechanical), (BS-18),	GCT, Sahiwal.	Guilty of misconduct arising out of fraudulent practices as you facilitated Ms. Madhiya Islam, Junior Clerk, GCT, Sahiwal to get financial benefits by presenting stamp papers with fake thumb impressions.
Mr. Touqeer Abbass Shah	Junior Clerk (PS-11)	GVTI(W) Okara	- Receiving of Rs 4000/=, Rs 5000/= & Rs 29500/= by Mr. Touqeer Abbass Shah Junior Clerk GVTI (W) Okara from the supplier "Hameed & Co" for purchase of battery and Withholding the amount with himself. - Withdrawal of an amount of Rs 3580 for payment of PTCL bill by cheque on 09-03-2023 and paid PTCL bill on 21-03-2023, hold the public money with himself for 12-days by Mr. Touqeer Abbass Shah Junior Clerk GVTI (W) Okara. - Withholding of fee of 3-students of Beautician trade with himself by Mr. Touqeer Abbass Shah junior Clerk GVTI (W) Okara. - Habitual late comer, early leaver and irresponsible behaviour towards official duties. - Non-maintenance of records i.e Training material entry, Stock register and cash book etc.
Mr. Muhammad Waseem, Mr. Hussain Baksh,	Sr. Trade Instructor, PS-14 Store Keeper, BS-11	GVTI(W) Mankera	i. Inefficiency for not maintaining the official record properly as per Rules & Regulation of TEVTA. ii. Guilty of misconduct for making loss to the institute fixed assets.

Ms. Hafeez Fatima, Ms. Romana, Mr. Aaish Muhamad,	Principal (Ps-17), Trade Instructor (Beautician) (PS-11), Sr. Accounts Officer (BS-09) (PSIC Employee)	RMGTC , Bahawalpur GVTI (W), Lodhran. GTTC (Female) , Khairpur , Tamewali	An amount of Rs 22,500/- vide cheque No. 33282187/- was deposited in the personal bank account of Ms. Hafeez Fatima, Principal, RMGTC, Bahawalpur.
Mr. Qamar Ul Islam Mr. Abdul Rauf	Store Officer (BS-16) Store Keeper	Pak German Polytechnic Institute of Agriculture Technology IBPD, Multan	<u>Shortage of Store items.</u> Recovery of an amount of Rs 186,120/-.
Ms. Asifa Saeeda Ms. Saima Sidque Ms. Shazia Bukhari	Ex-Principal, PS-17, Instructor (Hair & Skin Care) Lab Assistant (Hair & Skin Care)	GTTCI (W), Shah Runkn-e-Alam Colony, Multan	Theft case of Hair & Skin trade items at GTTCI (W), Shah Runkn-e-Alam Colony, Multan on 04.06.2010.
Muhamad Waris Workshop Jamshed Pervaiz	Workshop Manager (PS-16) instructor cum lab instructor (PS-14)	GTTC Khushab GTTC Khushab	<u>Muhammad Waris</u> i. Zero Admission in welding, Auto F.M & Wood trades. ii. Non utilization of welding lab & instructor. iii. Mostly machines in machine shop are not in working condition. iv. Institute outlook is very poor and Dengue prevention measures & SOP not followed. v. No training material purchase for regular courses in 2021 and training budget details are not available in labs.

Instructor cum lab instructor			<u>Jamshed Pervaiz</u> i. He remained leisured and free & did not perform any duty since last one and half year and drawn full salary and allowances causing loss to public exchequer. ii. Did not maintain his lab during the period. iii. Did not bother to make admission under any program.
Mr. Muhammad Tahir, Mr. Rauf Ahmad,	Registrar (BS-17) Sr. Clerk (BS-14)	GSTC Faisalabad. GSTC Faisalabad	Non-submission of Board Examination Fee and Forms of students of supplementary examination 2020 of 1 st and 2 nd year of DAE classes to PBTE, Lahore by examination branch of the college.
Mudassar Mehendi	Naib Qasid, Procurement Section, Lahore.	10.12.2021 (Direct Show cause)	Absent from duty 06.09.2021 to 08.10.2021.
Mr. Munawar Khan	Naib Qasid, MIS Section, TEVTA Secretariat, Lahore	27.10.2021	Absent from duty w.e.f 12.07.2021 to 22.08.2021.
Mr. Shakeel Ahmed	Naib Qasid	CMD Cell, TEVTA Secretariat, Lahore	Absent from duty w.e.f 14.10.2021 till to date. 11.11.2021 (Direct Show cause)
Mr. Azeem Saddique	DDO/Manager, PS-16, Presently working as Officer Student Affair,	16-12-2021 GTTI, Lodhara n.	1. Attendance of students was found very low during the visit of Director, Bahawalpur & Lodhran on 06.10.2021 & 20.10.2021, which shows that students enrollment status was fabricated and fake admission were made at institute. 2. 02 visiting instructors Mr. Faisal Nadeem, Electrician and Mr. Muhammad Sufyan were hired without any advertisement proper procedure which is violation of Authority instruction for hiring of visiting faculty. 3. Cheque No.4105639090 dated: 28.10.2020 of an amount of Rs 19, 670/- was issued to M/S Abdullah Associates with fake signature of Mr. Javed Iqbal, Foreman Mechanical / Co- Signatory.
Mr. Khurram Shafique Mr. Muham	Ex- District Manager, TEVTA Lahore presently working as ADG (Vocational)	TEVTA Secretariat, Lahore	1. The AR/SR committee under the aegis of ex. Z.M (C) prepared / recommended and forwarded AR/SR case pertaining to construction of boundary wall around the college premises. The case contained glaring violation of PPRA Rules and TEVTA AR/SR notifications. This reflects on the negligence and inefficiency of the accused officers. 2. They acted dishonestly in a bid to reap unlawful financial benefits. The work involving huge amount of money has been awarded to one party without calling quotation / inviting bids and without pasting notice on Notice Board. No

mad Ashraf, Mr. Mustaasam Bashir, Engr. Usman Khurshid Ms. Samina Akhtar Mukhtar Ahmed	DDO from 26.01.2012 to 11.08.2013 DDO from 23.10.2013 to 22.04.2014. Ex- DDO from 26.04.2014 to 25.10.2015 Sr. Instructor from 23.08.2013 onwards Accounts Officer from 17.11.2012 to till date. Transport Officer Head Technician from 29.02.2012 onwards Dispenser from 21.02.2013 onwards	Presently working as Assistant Director (Ops- TEVTA Secretari at, Lahore.	rates have been mentioned by the contractor in his single quotation. Neither special approval has been solicited from authority for awarding work to a single contractor. 3. No negotiation had been made concerning rates with the contractor before finalizing instant AR/SR work as required under the PPRA Rules. Contractor has not submitted any rate for construction of boundary wall. Instead he has offered to execute work as per estimated rates. He has not given his own rates. 4. Estimate has been prepared @ 1658 per feet for boundary wall instead of Rs 1382/- which was the actual length of the boundary wall. 5. Rate for fixing of razor wire @ 450 per feet has been awarded without any quotation / rate analysis. 6. Non-scheduled items have been included in estimate which is not allowed as per rules. 7. 10% security has not been received from contractor before start of work. 8. Work order has been issued by the Principal without approval of competent authority. The deadline for completion of work has been indicated as three months despite the urgency of work. Even construction work was started without the approval of competent authority / Chairperson.
Mst. Saima Aslam	Trade Instructor (PS-11)	Look after Incharge GVTI (W) Jinnah Town Mian Channu	Misconduct and willful absence from duty for eleven (11) days w.e.f. 25.11.2021 to 05.12.2021 against Mst. Saima Aslam, Trade Instructor (PS-11), Look after Incharge GVTI (W) Jinnah Town Mian Channu.
Mr. Kashif Abbas	Vice Principal, PS-18	GCT, Layyah	1) Involvement in business of cars and property. 2) Immoral activities. 3) Casual and irregular in performing official duties and marking attendance. 4) Refusal to attend the college on call of the Principal and misbehave. 5) Mr. Masroor, Shop Attendant, taking his classes on payment bases.

			6) Business tour to Dubai without NOC from department (verifiable from passport). 7) Certain FIRs registered against him regarding fraud in business. His posting as Vice Principal is violation of rules.
Mr. Waqas Victor,	Store Keeper, (PS-11)	Admn Wing, TEVTA Secretariat, Lahore.	I. He is absent from duty w.e.f 20.03.2023. II. He is habitual leave hunter, late comer and leaves the office before closing time. He is irregular and irresponsible in his duties. III. He is failed to perform assigned tasks i.e stock entries & issuance of kitchen items & inventories / stock items.
Mr. Muhammad Khalid,	Instructor / Lab Instructor (Fitter General), PS-14	GTTI, Lodhran.	1. "Intentionally hiding and manipulating the facts regarding purchase of training material for the trade of Fitter General against Principal GTTI Lodhran". 2. "Poor enrolment in the trade of Fitter General for the last three years at GTTI, Lodhran". 3. "Negligence and inefficiency in performing official duties."
Total			

Annex-28
(para-13.1.4.3)

Irregular hiring of visiting faculty having irrelevant qualification and without merit list –Rs 3.255 million

Irrelevant Qualification			
Name of person hired with qualification	Institute	Trade	Amount Paid to selected person
Hassan Fawad, DAE Auto & Farm Machinery	GTTI Khanewal Road, Multan	Auto Electrician	211,250
Ghulam Muhammad Raheel DAE Mechanical, B.S	GTTI Khanewal Road, Multan	Welding	162,500
Muhammad Shahid Javaid DAE Auto farm	GTTI Khanewal Road, Multan	Auto Electrician	135,500
Total			509,250
Without Merit List			
Aneeqa Shafiq	IBPD Multan	Instructor Computer	705,600
Waseem Abbas	IBPD Multan	Instructor Auto Cad	240,000
Muhammad Atif Ashraf	Weaving Shahdra	Instructor finishing	255,600
Ijaz Farman Ali	-do-	Instructor finishing	248,800
Ms. Nazish Shabir	-do-	Computer Application	1,092,400
Ms. Ghazal Fatima	-do-	Fashion Design	203,000
Total			2,745,400
Grand Total			3,254,650

Annex-29
(Para-13.1.4.4)

Loss due to non-deduction of Conveyance Charges and House repair & maintenance charges –Rs 2.920 million

S N	Name of Officer/Official	Designation	BPS	Category in which house allotted (BS)	House No.	Date of allotment	Non deduction of conveyance allowance	Period/ Month	Duration of month	Total Loss (Rs)
1	Syed Waqar Shah	Instructor	18	18	A-4	1/6/2023	5000	June-23 to Oct-23	5	25,000
2	Sehar Rafique Lodhi	Jr. Clerk	11	18	A-2	1/5/2015	2856	01-05-2015 to 30-07-2022	87	248,472
3	Muhammad Shabir	Sr. Instructor	18	18	BD-4	1/7/2023	5000	01-07-23 to 31-10-23	4	20,000
4	Abdul Majeed	Head Clerk	16	16	I-5	1/3/2023	5000	01-03-2023 to 31-10-2023	8	40,000
5	Majid Hussain	Jr. Clerk	14	18/19	C-2	16-04-2019	2856	16-04-19 to 31-10-2023	54	154,224
6	Ali Ghaffar	Jr. Clerk	11	17	BD-3	1/7/2023	2856	01-07-2023 to 31-10-2023	4	11,424
7	Rana Muhammad Nadeem	Jr. Clerk	11	11	J-1	1/9/2020	2856	01-09-2020 to 31-10-2023	37	105,672
8	Ishtiaq Ahmed	Shop Assistant	6	6	H-1	1/3/2015	1932	1/3/2015 to 31-10-2023	103	198,996

9	ZafarIqbal Shad	Shop Assistant	6	6'	G-1	8/1/1999	1932	08-01-1999 to 31-10-2023	298	575,736
10	Muhammad Nasir	Shop Assistant	6	7'	G-3	17-01-2022	1932	17-01-2022 to 31-10-2023	22	42,504
11	Muhammad RafiqueBloach	Shop Assistant	6	6'	G-5	1/1/2015	1932	01-01-2015 to 31-10-2023	104	200,928
12	Mazhar Hussain	Shop Assistant	6	6'	C-1	1/12/2019	1932	01-12-2019 to 31-10-2023	47	90,804
13	Muhammad Rustam	Chowkidar	3	6	E-5 & E-6	8/4/2023	1785	8/4/23 to 08-11-23	7	12,495
14	Muhammad Sultan	Chowkidar	2	2	E-9 & E-10	1/5/2020	1932	01-05-2020 to 31-10-2023	41	79,212
15	Muhammad Sultan	Chowkidar	5	5	F-3 & F-4	1/1/2015	1932	01-01-2015 to 31-10-2023	104	200,928
16	Muhammad Sarwar	Shop Assistant	6	6	F-1 & F-2	9/5/2009	1932	9/5/2009 to 31-10-2023	180	347,760
17	Anwar Masih	Sweeper	2	2	F-7	1/9/2021	1785	01-09-2021 to 31-10-2023	25	44,625
								Total		2,398,780

Annex-30
(Para-14.1.4.4)

Loss due to delay in outsourcing of different facilities - Rs 56.696 million

Sr. #	Name	Successful Bidder	Bids opened on	Offered Price per annum	Revised Offer per annum
1	Glamping Pods, Patriata	M/s Heaven Foods	06.10.2021	3,610,000	3,610,000
2	Patriata Top Resort	M/s Namal Resort	06.10.2021	5,100,000	5,100,000
3	Charrapani Stopover	M/s Range Huts	06.10.2021	800,000	1,000,000
4	Salgran Stopover	M/s Range Huts	06.10.2021	1,200,000	1,200,000
5	Dhok Tallian Resort	M/s Range Huts	06.10.2021	600,000	1,000,000
6	Daud-Khel Mianwali	M/s Range Huts	06.10.2021	6,000,000	6,000,000
7	Kanhatti Garden	M/s COTHM Lahore	06.10.2021	1,600,000	1,600,000
8	Kot-Mithan Rajanpur	M/s Range Huts	06.10.2021	3,100,000	5,000,000
9	Sakhi Sarwar, DG Khan	M/s Range Huts	06.10.2021	2,600,000	3,000,000
10	Fort Monroe, DG Khan	M/s Range Huts	06.10.2021	4,200,000	5,000,000
11	Darawar Fort, Bahawalpur	M/s Range Huts	06.10.2021	3,200,000	5,000,000
12	Kallar Kahar Resort	M/s Range Huts	13.10.2021	6,000,000	6,000,000
13	Changa Manga Resort	M/s Range Huts	13.10.2021	3,000,000	3,000,000
14	Jallo Park Resort	M/s National Hotel	13.10.2021	10,186,786	10,186,786
Total					56,696,786