



**PERFORMANCE AUDIT REPORT
OF
PUBLIC HEALTH ENGINEERING
DEPARTMENT GILGIT**

AUDIT YEAR 2021-22

AUDITOR-GENERAL OF GILGIT-BALTISTAN

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ABBREVIATIONS

| | |
|---------|--|
| APP | Annual Procurement Plan |
| AJK | Azad Jammu & Kashmir |
| CPWD | Central Public Works Department |
| EPA | Environmental Protection Agency |
| 3Es | Economy, Efficiency & Effectiveness |
| FANA | Federal Administrated Northern Areas |
| FATA | Federal Administrated Tribal Areas |
| FD | Finance Department |
| GB | Gilgit-Baltistan |
| GFR | General Financial Rules |
| GFR | General Financial Rules |
| HOA | Head of Accounts |
| INTOSAI | The International Organization of Supreme Audit Institutions |
| MB | Measurement Book |
| PAO | Principal Accounting Officer |
| PCRWR | Pakistan Council of Research in Water Resources |
| PHE | Public Health Engineering |
| POL | Petrol Oil and Lubricants |
| PPRA | Public Procurement Regulatory Authority |
| SOP | Standard Operating Procedure |
| WASEP | Water and Sanitation Extension Programme |

PREFACE

The Auditor-General of Gilgit-Baltistan conducts audit under Section 98 of the Government of Gilgit-Baltistan Order, 2018 and Section 8 of the Auditor General of Gilgit-Baltistan (Functions, Powers and Terms and Conditions of Service) Act, 2012. The performance audit of Public Health Engineering Department, (PHE) was carried out accordingly.

The Directorate General of Audit, Gilgit-Baltistan conducted performance audit of the Public Health Engineering Department (PHE) Gilgit for the financial years 2016-17 to 2020-21, during April, 2022 with a view to reporting significant findings to stakeholders. Audit examined the economy, efficiency, and effectiveness aspects of the department. In addition, Audit also assessed, on test check basis whether the management complied with applicable laws, rules, and regulations in managing the functions of the PHE. The Performance Audit Report indicates specific actions that, if taken, will help the management realize the objectives of the Public Health Engineering Department.

The Department furnished replies, which have been incorporated in the report but the DAC meeting could not be convened till finalization of report.

The Performance Audit Report is submitted to the Governor of Gilgit-Baltistan in pursuance of Article-98(6) of Government of Gilgit-Baltistan Order 2018 for causing it to be laid before the Legislative Assembly of Gilgit-Baltistan.

Dated:

Muhammad Ajmal Gondal
Auditor General of Gilgit-Baltistan

EXECUTIVE SUMMARY

The Public Health Engineering (PHE) Gilgit was established in 2008. The water supply system in Gilgit city is managed by the department.

Department of the Public Health Engineering is responsible for execution of development projects and schemes pertaining to drinking water supply system, sewerage system, water irrigation channel as well as repair and maintenance of existing water supply schemes, besides installation of water filtration plants and water lift pumps. The PHE, Gilgit is executing different development schemes relating to water supply and sewerage system. The department installed 75 water filtration plants in the city, out of which 64 are functional. Moreover, the department constructed 46 water storage tanks and installed 29 water lifting pumps in Gilgit city.

An audit team of Directorate General of Audit, Gilgit-Baltistan conducted performance audit of the PHE department Gilgit during the month of April, 2022. The audit was conducted for the years 2016-17 to 2020-21. The detail of budget and expenditure is as under:

(Rs. in million)

| Year | Budget | | Expenditure | |
|--------------|----------------|------------------|----------------|-----------------|
| | Development | Non-Development | Development | Non-Development |
| 2016-17 | 48.526 | 465.582 | 45.623 | 466.139 |
| 2017-18 | 37.676 | 451.467 | 37.676 | 450.076 |
| 2018-19 | 142.915 | 509.686 | 141.711 | 510.257 |
| 2019-20 | 137.905 | 551.707 | 137.512 | 548.790 |
| 2020-21 | 100.176 | 647.661 | 99.931 | 645.788 |
| Total | 467.198 | 2,626.103 | 462.453 | 2,621.05 |

Findings

- i. Non-conducting of monitoring of development schemes of Rs.462.453 million.
- ii. Non-establishment of laboratories for water quality testing.
- iii. Non formulation of Drinking Water Policy for Gilgit-Baltistan.
- iv. Wasteful expenditure on execution of 11 development schemes amounting to Rs.57.178 million.

- v. Non-completion of sewerage system schemes resulting in loss of Rs.21.076 million.
- vi. Non recovery of secured advance of Rs.6.678 million.

Recommendations

- i. Mechanism may be devised for monitoring of development schemes.
- ii. Laboratories may be established in Gilgit-Baltistan to ensure the supply of pure hygienic drinking water to the general public.
- iii. Drinking Water Policy for Gilgit-Baltistan may be formulated.
- iv. The management should investigate the delay in completion of development schemes.
- v. PHE should investigate the issue of wasteful expenditure pertaining to deleted/ sick projects.
- vi. Secure advances may be recovered.

1. INTRODUCTION

The Director General Audit, Gilgit-Baltistan conducted the performance audit of the Public Health Engineering department, Gilgit during April, 2022.

1.1 Overview of the Organization

The basic purpose of the department was to maintain a safe drinking water supply & sewerage system. Public Health Engineering department is responsible for execution of development projects and schemes pertaining to drinking water supply system, sewerage system, water irrigation channel as well as repair and maintenance of existing water supply schemes, besides installation of water filtration plants and water lift pumps.

1.2 Background Information

For ensuring health of public through supply of safe drinking water, sanitation services and consultation for developing safe healthy practices and improving the living environment no specialized department existed in Gilgit-Baltistan prior to 2008. In order to meet the emerging requirement of safe drinking water and well planed sanitation and sewerage system the public health engineering department was established in 2008.

1.3 Objectives of the department

The objectives of the department are as under:

- i. Construction of sewerage treatment plants to meet the targets of Sustainable Development Goals (SDGs) relating to the sector.
- ii. Planning, execution and maintenance of drinking water supply schemes.
- iii. Water quality monitoring including maintenance of water quality database.
- iv. Research and material testing pertaining to PHE sector projects.
- v. Determination and collection of water charges.
- vi. Providing pollution free environment by executing sewerage/drainage schemes.

1.4 Financial Resources

Total funds of Rs.3,093.301 million were allocated during 2016 to 2021 out of which an expenditure of Rs.3,083.503 million was incurred as summarized below:

(Rs. in million)

| Year | Budget | | Expenditure | |
|----------------|------------------|------------------|------------------|-----------------|
| | Development | Non-Development | Development | Non-Development |
| 2016-17 | 48.526 | 465.582 | 45.623 | 466.139 |
| 2017-18 | 37.676 | 451.467 | 37.676 | 450.076 |
| 2018-19 | 142.915 | 509.686 | 141.711 | 510.257 |
| 2019-20 | 137.905 | 551.707 | 137.512 | 548.790 |
| 2020-21 | 100.176 | 647.661 | 99.931 | 645.788 |
| Total | 467.198 | 2,626.103 | 462.453 | 2,621.05 |
| G.Total | 3,093.301 | | 3,083.503 | |

2. AUDIT OBJECTIVES

The major objectives of the audit were to check whether:

- i. Clean and safe drinking water facilities are being provided to the people of Gilgit.
- ii. The schemes undertaken were carried out in accordance with the spirit of approved PC-I and in efficient manner.
- iii. The available Financial and HR resources of the department were utilized keeping in view the factors of economy, efficiency and effectiveness.
- iv. Rules, regulations procedures were followed in true letter & spirit.
- v. Proper management control mechanism existed to ensure quality of work and effective internal and external monitoring mechanism.

3. AUDIT SCOPE AND METHODOLOGY

3.1 Scope

The performance audit was conducted to examine the economy, efficiency and effectiveness through financial management, observance of applicable rules and regulations and utilization of resources for achievement of envisaged objectives.

Audit performed visits of different areas of Gilgit for watching the functioning of water filtration plants, water storage tanks and water lift pumps. The Audit team also visited the office of the Environmental Protection Agency, Gilgit and different river sites to check water lifting pumps. Pictures of water filtration plants, water storage tanks and water lifting pumps were also taken.

3.2 Methodology

The performance audit was planned and executed in accordance with INTOSAI Standards for Supreme Audit Institutions and Implementation Guidelines for Performance Auditing.

The audit team reviewed procedures and policies, financial management system, agreements, reports, operational manuals, internal controls, etc. to measure the performance of the department as to whether it complies with rules and regulations, and whether it has achieved its objectives efficiently, economically and effectively.

The evidence gathered from the application of audit procedures, like test of details, review of payment vouchers, inquiries from management and applicability of rules and regulations support audit findings which are presented in the later part of the report.

4. AUDIT FINDINGS AND RECOMMENDATIONS

4.1 Organization, Management and Human Resources

4.1.1 Non-formulation of drinking water policy for Gilgit-Baltistan

According to Para-I of National Drinking Water Policy-2009, the policy complements, and will be implemented in coordination with, the National Environment Policy, National Sanitation Policy, National Water Policy and other related policies of the Government of Pakistan for protection and improvement of public health and quality of life. The Federal Government, Provincial Governments, AJK and Federally Administered Territories will devise their own strategies, plans and programmes in pursuit of this policy.

During performance audit of the PHE, Gilgit audit observed that the department failed to comply with the National Drinking Water Policy-2009 and could not devise Drinking Water Policy for Gilgit-Baltistan. Whereas, Punjab, Sindh and KP have already devised their drinking water policies in pursuance to National Drinking Water Policy-2009.

The matter was pointed out during April, 2022 and the department replied that currently National Drinking Water Policy 2009 is being observed in GB. The matter has been taken up with Secretary Works for preparation of Drinking Water Policy for GB in line with provision of National Drinking Water Policy-2009.

Audit recommends that the Drinking Water Policy for Gilgit-Baltistan may be formulated in accordance with provisions of National Drinking Water Policy-2009 in order to provide clean and safe drinking water to the people of Gilgit-Baltistan.

4.1.2 Non-provision of safe drinking water

According to para 6.7 (ii) of National Drinking Water Policy 2009, technical, institutional and financial capacity of water service providers will be strengthened. The concerned governments will organize training for their staff on planning, implementation, monitoring and evaluation of drinking water supply programmes and for effective and efficient operation and maintenance of water supply systems; water quality monitoring; community mobilization; hygiene

promotion; financial management; budgeting; audit and accounting; contract management and revenue collection.

The main objective of the Public Health Engineering (PHE) is provision of clean and safe drinking water in Gilgit.

During performance audit of the PHE, Gilgit for the period 2017-21, the audit team visited different water filter plants besides visiting office of the Gilgit-Baltistan Environmental Protection Agency, Gilgit and different river sites.

Audit observed that:

- i. There were 75 water filtration plants constructed in Gilgit out of which 64 were functional.
- ii. During visits it was noticed that most of the water filter plants were declared functional but were practically closed.
- iii. As per policy more than two employees are deployed on plants but during visit no one was present at sites.
- iv. According to government of Gilgit-Baltistan Environmental Protection Agency report water of 04 filtration plants was unfit for human consumption, whereas these plants are functional and providing water to the public.
- v. Due to absence of sewerage system in Gilgit City house- hold drainage water was mixing in the river, which is being used for drinking purpose through lifting pumps. This is not only creating hazard for river species but poses a great threat to health of people using this water.
- vi. No SoP was prepared for routine maintenance of water plant and for testing the quality of water on regular basis.

Pictorial evidences are as under:



The matter was pointed out during April, 2022. The department replied that currently 66 filtration plants are functional and 04 plants have not been handed over by the contractors. The remaining 05 filtration plants have been closed due to technical reasons. Further the department replied that all plants are opened and monitored regularly. Each plant consists of 02 staff, however, in vicinity of a public school 05 staff exists. Environmental Protection Agency (EPA) took sample of 04 plants in winter season prior to routine maintenance of filtration plants.

Audit recommends that all water filtration plant may be made functional besides preparation of SoP for regular maintenance and testing quality of water.

4.1.3 No- imparting of training and capacity building of staff

According to Para 6.7 (ii) of National Drinking Water Policy 2009, Technical, institutional and financial capacity of water service providers will be strengthened. The concerned governments will organize training for their staff on planning, implementation, monitoring and evaluation of drinking water supply programmes; effective and efficient operation and maintenance of water supply systems; water quality monitoring; community mobilization; hygiene promotion; financial management; budgeting; audit and accounting; contract management and revenue collection. To this effect, the concerned governments will establish specialized training academies for water and sanitation sector.

During performance audit of PHE department, Gilgit for the period 2017-21, it was noted that the department installed 75 water filtration plants in the city in addition of bulk water supply schemes through lifting of water from rivers and different tub wells. Average 02 employees are deputed on plants for supervision and operation, besides supervisory staff.

During audit it was observed that no training programs was arranged by the department for capacity building of staff in order to build and enhance their working capabilities of staff working on schemes of supply of drinking water in Gilgit

Audit was of the view that the basic responsibility of the department is to maintain a safe drinking water supply & sewerage system in Gilgit-Baltistan besides execution of development projects and schemes pertaining to drinking

water supply system and sewerage system. Therefore, lack of capacity building may result in weak service delivery and failure of the schemes.

The matter was pointed out during April, 2022 and the department replied that for technical staff different capacity building programme will be initiated.

Audit recommends to arrange trainings of electrician and plumbing for staff deputed in water filter plants in order to make the schemes more effective.

4.1.4 Non-establishment of laboratories for water quality testing

Para 6.3 (ii) of National Drinking Water Policy 2009, states that Water quality Monitoring and surveillance framework and guidelines will be established by the department to ensure that quality of all public and private water supplies conforms to the required standards. In this context, water quality laboratories will be established at Provincial, District levels and the quality of drinking water sources and supplies will be regularly monitored.

Para 6.4 (ii) of National Drinking Water Policy, 2009, states that Federal, Provincial, AJK, FANA and FATA Governments will develop Standard Operating Procedures for planning, design, construction, monitoring and operations and maintenance for the various categories of water supply schemes. This will ensure adherence to the technical standards and specifications and quality construction and sustainable service.

During performance audit of PHE department, Gilgit for the period 2017-21, it was noted that the department installed 75 water filtration plants in the city in addition of bulk water supply schemes through lifting of water from rivers and different tub wells.

During audit of PHE, it was observed that water quality testing laboratories were not established by the department in order to ensure provision of clean and safe drinking water to community. Audit further observed that no standard operating procedures was devised for planning, designing, construction, monitoring and operations and maintenance for the various categories of water supply schemes.

Audit is of the view that non-establishment of laboratories and non-preparation of SoPs / standards is not only violation of provision of policy but in

absence of water testing laboratory and frequent testing it could not be ensured whether the water being supplied through various filtration plants and supplies sachems is safe for human consumption or otherwise.

The matter was pointed out during April, 2022. The department replied that there are 03 public and private departments i.e WASEP, EPA, PCRWR which provide these services. This department utilized their services from time to time from the Works Department which has a material testing laboratory. But there was no section available for testing of water quality. The observation is noted for compliance & the PHE requested Secretary Works to establish a Laboratory in Gilgit Baltistan to ensure supply of safe drinking water vide letter No.EE/PHE/Admin/2021-22/dated, 24th May, 2022.

The reply of the department was not convincing as supply of safe drinking water is the mandate of PHE. The PHE is also responsible to ensure the quality of safe drinking water for the people of Gilgit after testing of water quality by the laboratory as provided in the National Drinking Water Policy, 2009.

Audit recommends to establish the laboratory in Gilgit-Baltistan to ensure testing of water besides formulation of SoPs / standards in line with National Drinking Water Policy, 2009.

4.1.5 Non-achievements of objectives of development schemes Rs.57.178 million

Para 7.1 of Manual of Development states that the objectives of any effort in project planning and analysis is to have a project that can be implemented to the benefit and socio-economic uplift of the society. The objectives of initiating of project is to making it fully functional and getting them fully underway for achieving the goals envisaged without any time and cost over-run, in order that the economic benefits accrue according to the promises made in the scheme.

During Performance audit of PHE, Gilgit for the period 2017-21, it was observed that eleven (11) development schemes were started by the department at contract cost of Rs.73.469 million. The department made payment amounting to Rs.57.178 million to different contractors (Annex-A). These schemes were started during the period 2006-13. However these were declared as sick and subsequently deleted.

During audit it was observed that no departmental inquiry was initiated against the officers involved in non-achievements of objectives of the project for which these were visualized. Audit further observed that no legal proceedings were initiated against the contractors. Due to non-completion of schemes the government sustained a loss of Rs.57.178 million.

Audit is of the view that due to ill planning and negligence of the department the vital development projects could not be completed and resultantly the government sustained a huge loss.

The matter was pointed out during April, 2022. The department replied that the matter has already been noticed by the Chief Engineer Gilgit Region. Accordingly, a board of officers has been constituted for investigation by the Chief Engineer Gilgit Region vide letter No. E6-3(153)/2021-22/805 dated, 24th March, 2022.

Audit recommends that the TORs of the Committee and the latest status of the investigation may be shared with audit.

4.1.6 Non-functioning of water filter plants -Rs.16.290 million

Para 7.1 of Manual of Development states that the objectives of any effort in project planning and analysis is to have a project that can be implemented to the benefit and socio-economic uplift of the society. The objectives of initiating of project is to making it fully functional and getting it fully underway for achieving the goals envisaged without any time and cost over-run, in order that the economic benefits accrue according to the promises made in the scheme.

During Performance audit of office of the Executive Engineer PHE, Gilgit audit observed that the department installed 75 water filtration plants in Gilgit.

Audit observed that 11 water filtration plants involving installation cost of Rs.16.290 million were non-functional since long (Annex-B).

Audit is of the view that due to weak management and inefficiency of the department, the objectives of the projects could not be achieved despite completion of the filtration plants and availability of human resources.

The matter was pointed out during April, 2022. The department replied that utmost efforts were made for making plants functional. However, due to

some social and other administrative issues a few water filtration plants could not be made functional so far.

Audit recommends that the matter may be investigated for fixing responsibility besides making filtration plants functional without further delay.

4.1.7 Mismanagement of human resources of Rs.7.949 million

Para 5(i) of National Drinking Water Policy 2009, states that access to safe drinking water is the basic human right of every citizen and that it is the responsibility of the Government to ensure its provision to all citizens.

The basic purpose of the department was to maintain a safe drinking water supply & sewerage system. Public Health Engineering department is responsible for execution of development projects and schemes pertaining to drinking water supply system, sewerage system, water irrigation channel as well as repair and maintenance of existing water supply schemes, besides installation of water filtration plants and water lift pumps.

During Performance audit of the Executive Engineer PHE, Gilgit it was observed that the following staff of the said office was working in other offices on attachment basis. Detail is as under:

| S No. | Name of Staff | Attached/ Working with | Monthly Salary (Rs.) | Average monthly payment for two years (Rs.) |
|--------------|-------------------------------|-------------------------------|-----------------------------|--|
| 1. | Kabir Khan, Computer Operator | Secretariat, Gilgit | 52,745 | 1,265,880 |
| 2. | M.Sharif,ComputerOperator | -do- | 48,900 | 1,173,600 |
| 3. | UlfatAli,Computer Operator | Appellate Court Gilgit | 44,655 | 1,071,720 |
| 4. | Nasir Wali, Driver | CM Secretariat, Gilgit | 35,401 | 849,624 |
| 5. | NadimHayat, Helper | Secretariat, Gilgit | 27,107 | 650,568 |
| 6. | M. Aqeel Khan, Pipe Fitter | Secretariat, Gilgit | 54,841 | 1,316,184 |
| 7. | Faizan Akhter, Helper | CM Secretariat, Gilgit | 31,488 | 755,712 |
| 8. | Farooq Ahmed, WorkMunshi | NA House, Islamabad | 36,102 | 866,448 |
| Total | | | 331,239 | 7,949,736 |

Audit is of the view that human resources were provided for smooth functioning of the department for provision of clean and safe water to the public in effective and efficient manners. Presently the human resources are not properly utilized as they are not serving in the department. The existing arrangement shows inefficiency of the department and mismanagement of human resources as well, involving huge expenditure on salary cost and other allowances.

The matter was pointed out during April, 2022. The department replied that all attachment has been made by higher officers from time to time, however this office has taken up the matter with higher authorities.

Audit recommends that services of the staff attached with other office may be withdrawn besides making a mechanism for effective and efficient utilization of human resources.

4.2 Financial Management

4.2.1 Un-economical and misuse of financial resources resulting in excess Payment - Rs.5.214 million

Rules 6 of Gilgit-Baltistan system of financial control and budgeting rules 2009 states that the Principal Accounting Officer is responsible not only for the efficient and economical conduct of the Departments etc., but also continues to be personally answerable before the Public Accounts Committee. The two main principles to be observed by the PAO are economy and regularity.

Para No.6.19 of the CPWD code provides that a revised estimate must be prepared when the sanction estimate is likely to be exceeded by more than 15%.

During Performance audit of the Executive Engineer PHE Division, Gilgit it was noted that management awarded contracts involving cost of Rs. 9.658 million to different contractors during 2017-21 and made payment of Rs.14.873 million.

Audit observed that payment was made over and above the contract cost and technical sanction, which resulted in excess payment of Rs.5.214 million. Details are as under:

(Rs. in million)

| S No. | Name of work | Name of Firm | Cont Agreement | Work done as per MB | Excess | % Excess |
|--------------|---|---|----------------|---------------------|--------------|----------|
| 1. | improvement / repair of water irrigation channel and protective bund at Mohammad Abad Danyore | M/S HisamullahBaig Government Contractor vide contract agreement No.EE/PHE/S.Order/2017-18/1270 dated 30.11.2017 (3.194/1.843)%=173% | 1.843 | 5.037 | 3.194 | 173% |
| 2. | Execution of Protective wall on RCC Bridge Basin GhizerRoad-Rehabilitation / Realignment of Damaged Reaches at KargahNullah (08 KM) | M/s Afzal Usman Associates Government Contractor vide contract agreement No. EE/PHE/S.Order/2015/626 (2.020/7.815)%=26% | 7.815 | 9.836 | 2.020 | 26% |
| Total | | | | | 5.214 | |

Audit is of the view that due to non-adherence to rules the management paid an excess amount to the contractors. Audit is also of the view that financial resources were not utilized in an economical manner.

The matter was pointed out during April, 2022. The department replied that due to site requirement the estimates of the work were revised with the approval of competent authority.

The reply of the department was not supported with documentary evidence regarding approval of the competent authority.

Audit recommends that responsibility may be fixed for the irregularity besides ensuring economical and efficient use of financial resources.

4.3 Monitoring and Evaluation

4.3.1 Non-conducting of monitoring and evaluation of development schemes– Rs.462.453 million

According to para-5.2 of Project Management’s guide lines issued by the Planning Division, the executing agency is responsible for internal monitoring of different development schemes.

During performance audit of the PHE department, Gilgit for the period 2017-2021, it was noted that the department executed 130 development schemes involving expenditure of Rs. 462.453 million. Detail is as under:

(Rs. in million)

| Financial Year | Scheme No. | Expenditure |
|-----------------------|-------------------|--------------------|
| 2016-17 | 21 | 45.623 |
| 2017-18 | 20 | 37.676 |
| 2018-19 | 20 | 141.711 |
| 2019-20 | 31 | 137.512 |
| 2020-21 | 38 | 99.931 |
| Total | | 462.453 |

During audit it was observed that no mechanism was devised for monitoring and evaluation of different development schemes. Moreover, the department did not carry out monitoring of any project as observed during audit.

Audit is of the view that non-monitoring and evaluation of the government schemes was violation of the Planning Division instructions and in absence of proper monitoring mechanism the various development schemes involving huge expenditure remained un-completed and subsequently deleted and declared as sick.

The matter was pointed out during April, 2022. The department replied that in past the internal monitoring was conducted by PHE Division. However, after February, 2021 project monitoring wing was established in Secretary’s office.

The reply of the department was not convincing as no monitoring reports or supporting documents were provided.

Audit recommends that mechanism may be formulated for monitoring and evaluation of development schemes.

4.4 Environment

4.4.1 Non-protection and conservation of water resources– Rs.21.076 million

Para 6.2 (i) of the National Drinking Water Policy 2009 states that measures will be taken to protect and conserve surface and ground water resources as well as coastal waters in line with the provisions of the National Environment Policy and Pakistan Environmental Protection Act-1997.

During Performance audit of the Executive Engineer, PHE, Gilgit, it was noted that department executed a project titled “Sewerage System in Gilgit” with a cost of Rs.35.00 million during 2006-07. Scope of the project was as follows:

| (Rs. in million) | | |
|-------------------------|---------------------------|---------------|
| S. No. | Scope Items | Cost |
| 1. | Sewerage System | 24.865 |
| 2. | Sewerage treatment plants | 7.520 |
| 3. | Land compensation | 1.000 |
| 4. | 5% contingencies | 1.619 |
| Total | | 35.004 |

The work was awarded to M/s Five Star Construction Company at cost of Rs.34.922 million on 21.02.2006 with completion date 20.07.2006 with following works specification:

| (Rs. in million) | | |
|-------------------------|--------------------------|-------------|
| S. No. | Scope Items | Cost |
| 1. | Sewerage treatment plant | 7.870 |
| 2. | Sewerage System | 27.051 |

Payment of Rs.21.076 million was made to the contractor against work done valuing Rs.14.398 million.

Audit observed that neither the sewerage treatment plant was established nor sewerage system was developed. Consequently, the underground water is continuously contaminated and harming a large number of river species especially trout fish which is now considerably decreasing with the passage of time.

Moreover, waste generated from house hold is another major contributor to water pollution.

Audit is of the view that the project could not achieve the laid down objectives and resultantly, the waste which contain urine, feces, and laundry leads to a lot of water borne diseases such as cholera, dysentery, typhoid, hepatitis and diarrhea, besides contaminating underground water resources.

The matter was pointed out during April, 2022. The department replied that the scheme was declared sick due to un-known circumstances & has been deleted during 2009-10. The contractor was blacklisted and over payment about the work done is being adjusted against security deposit. The recovery will be made from the contractor and audit will be informed accordingly.

The department has accepted the non-execution of project and non-achievement of objectives.

Audit recommends that the matter may be investigated for fixing responsibility besides making recovery from the contractors.

5 OVERALL ASSESSMENT

5.1 Efficacy

For effective operation of the Department, the management is required to develop an integrated system for provision of safe drinking water and to ensure the construction of proper waste disposal system without effecting the environment of Gilgit. Moreover, clearly defined benchmarks for performance evaluation of staff are required to be formulated.

5.2 Efficiency

For efficiency, effectiveness and sustainability, the PHE Gilgit has to establish a system that checks the quality of water and to stop the domestic wastes from mixing in river regularly. Data is essential to determine the most suitable method of collection and provision of water to the public in Gilgit city.

5.3 *Economy*

The PHE, Gilgit did not observe the economy factor since the allocated resources were not utilized economically and resultantly, the investment made did not bring benefits relating to provision of clean drinking water and other related services to the general public.

5.4 *Effectiveness*

In order to ensure cleanliness and minimize environmental impact on natural beauty of Gilgit-Baltistan, the department should develop a comprehensive mechanism involving residents of the area for reducing waste generation, enabling efficient collection of waste and avoiding unhealthy method of waste disposal. This effort will enhance the efficiency of the department besides achieving the objectives of the department.

5.5 *Compliance with rules*

Violations of provisions of Project Management Guidelines, CPWD Code, GB-EPA guidelines besides provisions of GFR/FTR were observed in certain cases.

6 *CONCLUSION:*

The department has not yet formulated drinking water policy for Gilgit-Baltistan despite laps of considerable time. The PHE has not devised a comprehensive strategy based on scientific data for provision of safe drinking water and a sustainable sewerage system. The different development schemes relating to water supply and sanitation system were started without proper planning and assessment, resultantly a number of schemes involving heavy investment remained uncompleted and subsequently, deleted. No measures were taken by the department for protection and conservation of water resources in the region. SoPs for regular maintenance of water filtration plants and others water lifting schemes could not be prepared so far.

6.1 Key issues for the future

The main issues that hampered the functions of the PHE, Gilgit were:

- i. Non-formulation of drinking water policy in Gilgit-Baltistan.
- ii. Non-provision of safe drinking water for the people of Gilgit city.
- iii. Non-existence of sewerage system in Gilgit city.
- iv. Non-existence of Performance and Monitoring Mechanism in the department.
- v. Non-completion of numbers of projects due to ill planning and mismanagement.

6.2 Lessons identified

For effective and economical operation, the department should ensure adherence to three E's. Due to weak monitoring mechanism and internal controls the department could not achieve the assigned objectives in an efficient and economical manner as projects of vital importance could not be executed despite having mandate and resources. Moreover, the management could not formulate drinking water policy for Gilgit-Baltistan.

Audit recommends that a comprehensive strategy may be devised keeping in view the provision of National Drinking Water Policy 2009 and geographical condition of the region.

ACKNOWLEDGEMENT

We wish to express our appreciation to the management and staff of the PHE, Gilgit for assistance and cooperation extended to the auditors during this assignment.

Sick/Deleted Projects

Annex-A, Para 4.1.5

(Amount in million)

| S.No. | Name of Scheme | Approved Cost | Date of Start | CA Cost | Contractor Name | Upto date Expenditure |
|-------|---|---------------|---------------|---------|------------------------------------|-----------------------|
| 1. | Const: of water supply schemes at Parri, Sakwar, BarmasDass at Damote Sai (Tech) | 10.00 | 07-06-2007 | 2.959 | M/s Mohd Abudullah Mir & Tariq Mir | 1.508 |
| 2. | Const: of water supply schemes at Parri, Sakwar, BarmasDass at Damote Sai (Tech). | | 26-04-2007 | 3.706 | M/s Abdul Salam | 2.78 |
| 3. | Construction of water supply scheme at PaidanDass | 5.00 | 22-02-2013 | 4.684 | M/s Ahmed Nadeem | 2.19 |
| 4. | Improvement of water supply DaroteJuglote District Gilgit (Additional Work) | 5 | 06/06/2008 | 4.882 | Mr. Mohammad Khalil | 4.66 |
| 5. | Construction of Water supply scheme at maidan Chakar kote and Sabil | 9.5 | 16-10-2009 | 9.304 | Mr. Gulab Shah | 9.10 |
| 6. | Construction of water supply scheme (Sai Balla Bargin and Ghishote | 8 | 06/12/2008 | 7.133 | Mr. Abdul Naqeeb | 5.76 |
| 7. | Construction of Water Supply scheme at Parri from Balas Nullah | 3 | 28-02-2013 | 2.206 | Mr. Faqeer Mohammad | 1.52 |

| | | | | | | |
|-----|--|---------------|------------|---------------|--------------------------------|---------------|
| 8. | Construction of water supply scheme Sai Balla and Pain (Construction of water Supply at ChakarkoteShahote and shokikoi | 10 | 26-06-2008 | 4.093 | 1. Mr. Ahmed Nadeem | 4.94 |
| 9. | Construction of Water Supply Channels is Sai Bala and PaenJuglote Gilgit (Tech) Water channel at Pahote/ Water supply at Balas | 5 | 06/11/2008 | 1.937 | Mr. Naseem Akhtar | 2.16 |
| 10. | Construction of External water supply at Central Jail Building Minawar Gilgit | 10 | 17-02-2009 | 8.556 | Mr. Ahmad Nadeem | 6.07 |
| 11. | Provision of Clean drinking water facilities in Halqa-II | 25.125 | 25-05-2006 | 24.009 | M/S Haji Ghulam Rabbani & Sons | 16.49 |
| | Total | 90.625 | | 73.469 | | 57.178 |

Detail of Filter Plants Non Functioning

Annex-B, Para 4.1.6

| S No. | Name of Purification Plant | Present Status as mentioned by the Deptt |
|--------------|------------------------------------|---|
| 1. | Lali MohallahAmphary | Non Functional due to under Construction 90% work completed |
| 2. | Nomal Near Jamat Khana | Non Functional due to handing taking yet not done by the contractor |
| 3. | SonikotePaeen | Non Functional as the owner claiming for Govt. Job |
| 4. | Sami Mohallah, Jutial | Non Functional due to handing taking yet not done by the contractor |
| 5. | Wahadat Colony-II Jutial | Non Functional as the owner claiming for Govt. Job |
| 6. | DamoteKhomer | Non Functional as the owner claiming for Govt. Job |
| 7. | KhomerBishote | Non Functional as the owner claiming of Govt Job and work abandoned due to deleted Schme. |
| 8. | DomiyalHaiderpurah near Imambargah | Non Functional as the owner claiming for Govt. Job |
| 9. | Power Sub Station ChakarkoteJuglot | Non Functional |
| 10. | Girls Middle School | Non Functional due to electricity issue |
| 11. | Jutial Bus Stand | Non Functional |