



**SPECIAL AUDIT REPORT  
ON  
THE ACCOUNTS OF  
PRIME MINISTER'S GLOBAL  
SUSTAINABLE DEVELOPMENT GOALS  
ACHIEVEMENT PROGRAMME  
FINANCIAL YEARS 2016-18  
(FEDERAL GOVERNMENT ENTITIES)**

**AUDITOR GENERAL OF PAKISTAN**



## PREFACE

The Auditor General conducts audit subject to Articles 169 and 170 of the Constitution of the Islamic Republic of Pakistan, 1973 read with Sections 8 and 12 of the Auditor-General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001. The Special Audit of "Prime Minister's Global Sustainable Development Goals (SDGs) Achievement Programme" was carried out accordingly.

Special Audit was conducted during 2018-19 for the financial years 2016-17 and 2017-18 to report significant findings to the stakeholders. This Audit Report on SDGs is printed in two distinct volumes i.e. Federal Government and Provincial Government (Punjab) and are caused to be laid before relevant legislatures through the President and respective Governor. Audit examined the economy, efficiency, and effectiveness aspects of the works executed under the Programme. In addition, Audit also assessed, on test check basis, whether the management complied with applicable laws, rules, and regulations in managing the Programme. The Report indicates specific actions that, if taken, will help the management to realize the objectives of the Programme.

The Report has been prepared for submission to the President in pursuance of Article 171 of the Constitution of Islamic Republic of Pakistan, 1973 for causing it to be laid before the Parliament.

Islamabad  
Dated: 20<sup>th</sup> June, 2019

Sd/-  
**(Javaid Jehangir)**  
Auditor General of Pakistan



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## **Abbreviations and Acronyms**

ADP	Annual Development Programme
AGP	Auditor General of Pakistan
AGPR	Accountant General of Pakistan Revenue
AJK	Azad Jammu & Kashmir
BoD	Board of Directors
BOQ	Bill of Quantities
CCD	Central Civil Division
CCE	Committee of Cabinet on Energy
CDR	Cash Deposit Receipt
CDWP	Central Development Working Party
CEMD	Central Electrical & Mechanical Division
CEO	Chief Executive Officer
Cft	Cubic Feet
CPWA	Central Public Works Account
CPWD	Central Public Works Department
Cu. M	Cubic Meter
D.G	Director General
DAC	Departmental Accounts Committee
DAO	Divisional Accounts Officer
DBA	Directorate of Budget & Accounts
DC	Deputy Commissioner
DCO	District Coordination Officer
DDC	District Development Committee
DDWP	Departmental Development Working Party
DISCOs	Distribution Companies
DOP	Development of Power
E&M	Electrical and Mechanical
ECC	Economic Coordination Committee
ELR	Energy Loss Reduction
EMB	Electrical Measurement Book

ERP	Enterprise Resource Planning
FA	Financial Advisor
FAO	Field Accounting Office
FAT	Financial Audit Team
FATA	Federally Administered Tribal Areas
FD	Finance Director
FESCO	Faisalabad Electric Supply Company Limited
FPC	Final Payment Certificate
GEPCO	Gujranwala Electric Power Company Limited
GFR	General Financial Rules
GM	General Manager
GMF	General Manager Finance
GoP	Government of Pakistan
GSC	Grid System Construction
HESCO	Hyderabad Electric Supply Company Limited
HoD	Head of Department
HT Line	High Tension Line
HT Pole	High Tension Steel Pole
IAS	International Accounting Standards
IESCO	Islamabad Electric Supply Company Limited
IFRS	International Financial Reporting Standards
JCR	Job Completion Report
KIBOR	Karachi Interbank Offer Rate
KP	Khyber Pakhtunkhwa
KVA	Kilo Volt Ampere
LD	Liquidated Damages
LESCO	Lahore Electric Supply Company Limited
LoI	Letter of Intent
LT Line	Low Tension Line
LT Pole	Low Tension Pole
MB	Measurement Book
MCR	Material Consumption Register



MEPCO	Multan Electric Power Company Limited
MMM	Manager Material Management
MNA	Member of National Assembly
MoF	Ministry of Finance
MoU	Memorandum of Understanding
MPA	Member of Provincial Assembly
MS Pipe	Mild Steel Pipe
NA	National Assembly
NBP	National Bank of Pakistan
NEPRA	National Electric Power Regulatory Authority
NHA	National Highway Authority
NICL	National Insurance Company Limited
NIT	Notice Inviting Tender
NOC	No Objection Certificate
NTDCL	National Transmission and Despatch Company Limited
O&M	Operation and Maintenance
OGRA	Oil & Gas Regulatory Authority
PAC	Public Accounts Committee
PAO	Principal Accounting Officer
PC pole	Pre-stressed Concrete Pole
PCC	Plain Cement Concrete
PCD	Project Civil Division
PC-I	Planning Commission Proforma-I
PC-IV	Planning Commission Proforma-IV
PD	Project Director
PEC	Pakistan Engineering Council
PE Pipe	Poly Ethylene Pipe
PEPCO	Pakistan Electric Power Company Limited
PESCO	Peshawar Electric Supply Company Limited
PLA	Personal Ledger Account
PM	Prime Minister
PO	Purchase Order

POL	Petroleum, Oil & Lubricants
PPC	Provisional Payment Certificate
PPRA	Public Procurement Regulatory Authority
PPWD	Pakistan Public Works Department
PWP	Peoples Works Programme
QESCO	Quetta Electric Supply Company Limited
RCC	Reinforced Cement Concrete
REP	Rural Electrification Programme
RM	Regional Manager
SDGs	Sustainable Development Goals
SEPCO	Sukkur Electric Power Company Limited
SGM	Senior General Manager
SNGPL	Sui Northern Gas Pipelines Limited
SOP	Standing Operating Procedure
SR	Schedule of Rates
SSGCL	Sui Southern Gas Company Limited
T/F	Transformer
TBS	Town Border Station
TDR	Term Deposit Receipt
TESCO	Tribal Area Electric Supply Company
TMA	Tehsil Municipal Administration
ToR	Term of Reference
TSE	Technical Sanction Estimate
UFG	Un-accounted for Gas
UNDP	United Nations Development Programme
WAPDA	Water & Power Development Authority
WHT	Withholding Tax
WIP	Work In Progress
XEN	Executive Engineer

## EXECUTIVE SUMMARY

The Sustainable Development Goals (SDGs) of United Nations (UN) came into effect in January 2016. These seventeen (17) goals were built on the success of the Millennium Development Goals (MDGs) after inclusion of certain new areas such as climate change, economic inequality, innovation, sustainable consumption, peace and justice. Government of Pakistan decided to incorporate these goals into its own “National Development Goals” in February 2016 for providing development opportunities to less developed areas through direct targeted intervention. For formal initiation, Ministry of Planning, Development and Reforms internalized SDGs in its development framework embedding them in “Pakistan Vision 2025”.

Henceforth, for achievement of Sustainable Development Goals, the formation of a special development programme called “Prime Minister’s Global Sustainable Development Goals Achievement Programme” (hereinafter referred as “the Programme”) was approved by the Federal Government. In order to execute the Programme, funds for the schemes executed through federal agencies were provided to the respective Principal Accounting Officers. For schemes executed by provincial agencies, funds were placed in the provincial consolidated fund, which were further transferred to the Special Drawing Accounts (SDAs) of Divisional Commissioners to get the schemes executed by relevant provincial authorities/departments.

The Cabinet Division Islamabad approached Auditor General of Pakistan to conduct Special Audit of the Programme for the Financial Years 2016-17 & 2017-18. As per information/data provided by the relevant Ministries, 19839 schemes having budget outlays of Rs 34.901 billion, were executed by Pak. PWD, Distribution Companies (DISCOs), SNGPL, SSGCL and FATA. These schemes were audited by Directorate General Audit Works (Federal), Islamabad, Directorate General Audit (Power), Lahore, Directorate General Audit (Petroleum & Natural Resources), Lahore and Directorate General Audit (Federal Government), Islamabad.

Cabinet Division also circulated guidelines for implementation of the Programme on 10<sup>th</sup> October, 2016 and identified the sectors and types of schemes to be implemented, as listed below:

**Power Sector**

- i. Electrification Schemes.
- ii. Rehabilitation of Electricity Distribution Infrastructure.

**Gas & Natural Resources**

- i. Missing gas infrastructure, subject to availability of gas, duly certified by the Ministry of Petroleum & Natural Resources.

**Social Sector**

- i. Construction of new schools, up gradation or uplifting of existing schools, including provision of missing facilities.
- ii. Construction of new BHUs and RHCs, up gradation and uplifting of existing facilities, including provision of missing facilities.

**Municipal Sector**

- i. Water Supply Schemes & Filtration Plants.
- ii. Urban Sewerage, Sanitation and Rural Drainage Schemes.
- iii. Communal facilities including but not limited to graveyards and public parks.

**Infrastructure Sector**

- i. Construction and of rehabilitation of farm to market roads.
- ii. Construction, repair or rehabilitation of roads (district or provincial).

The number of schemes, funds expended and audited during the years 2016-18 for Federal Government entities is tabulated below:

(Rs in million)

Department	Total Schemes	Schemes Audited	Funds Released	Expenditure	Expenditure Audited
Pakistan Public Works Department	1,557	1,557	10,611.88	9,709.11	9,709.11
Distribution Companies	16,694	5,282	13,746.14	11,353.75	3,630.62
SNGPL and SSGCL	114	114	9,106	1,126.00	1,126.00
FATA	1,474	1,105	1437.09	1,361.26	947.50
<b>Total</b>	<b>19,839</b>	<b>8,058</b>	<b>34,901.11</b>	<b>23,550.12</b>	<b>15,413.23</b>

The number of schemes, funds expended and audited during the years 2016-18 for the Punjab Government is tabulated below:

(Rs in million)

Department	Total Schemes	Schemes Audited	Funds Released	Expenditure	Expenditure Audited
District Education Authority, Rawalpindi	12	12	5.162	2.677	2.677
Deputy Director (Colleges) Layyah	01	01	2.000	2.000	2.000
District Officer Sports Layyah	02	02	1.000	1.000	1.000
Communication & Works Department	1,788	1,171	10,706.940	9,264.300	6,908.980
Housing Urban Development and Public Health Engineering	7,456	2,487	23,426.000	21,423.000	14,177.860
Local Government and Community Development	6,025	2,382	15,788.770	14,482.37	7,174.770
Cholistan Development Authority, Bahawalpur	54	30	152.970	129.290	75.000
<b>Total</b>	<b>15,338</b>	<b>6,085</b>	<b>50,082.842</b>	<b>45,304.637</b>	<b>28,342.287</b>

Audit Reports containing results of audit of SDGs of Federal Government and Provincial Government (Punjab) have been compiled separately. This report contains results of audit of SDGs executed by Federal Government entities. During audit of the Schemes executed through SDGs following main deviations from approved/laid down guidelines/procedures were noticed:

- a. 305 schemes were awarded without open tenders - Rs 1,741.946 million (Para 1.2.3);
- b. Payments of 258 schemes were made without recording the detailed measurement of work in the measurement books - Rs 1,651.204 million (Para 1.2.4);
- c. In 23 Schemes expenditure was booked without supporting record of making payments to the contractors - Rs 419.272 million (Para 1.2.8);
- d. 107 cases have been noticed where expenditure was incurred without mandatory technical sanction - Rs 2,472.372 million (Paras 1.2.12, 2.2.11, 2.2.20 and 4.2.12);
- e. In 06 cases, schemes have been approved and paid without the request and involvement of the respective communities - Rs 6,839.974 million (Para 2.2.7);
- f. PC-IV of 3,763 schemes have not been prepared to formally close the projects - Rs 4,647.805 million (Paras 1.2.23 and 2.2.43).

Audit recommends that above cited instances of violations may be inquired and responsibilities may be fixed for:

- a. Violation of Public Procurement Rules;
- b. Payments made without recording detailed measurements in measurement book;
- c. Booking of expenditure without supporting documents for contractor payments;

- d. Expenditure incurred without mandatory Technical Sancion;
- e. Approval of schemes without the recommendation and involvement of the respective communities;
- f. Non-preparation of PC-IV to finally close the projects.





# **1. INTRODUCTION**

## **1.1 Rationale of the Programme**

At the Sustainable Development Summit on 25<sup>th</sup> September, 2015 United Nations (UN) member states adopted the 2030 Agenda for Sustainable Development. The Agenda is comprised of 17 Goals which have specific targets to be achieved by 2030. These goals include new areas such as climate change, economic inequality, innovation, sustainable consumption, peace and justice, among other priorities. SDGs were launched by Government of Pakistan on 10<sup>th</sup> October, 2015 at National SDGs Conference organized by Planning Commission of Pakistan and United Nation Development Programme. The elements of Pakistan Vision 2025 are also linked with SDGs. The Government of Pakistan is responsible for follow up and review progress made in implementing the goals.

## **1.2 Approval of the Programme**

The Prime Minister's Global Sustainable Development Goals Achievement Programme was approved by the Cabinet Division in its meeting held on 30<sup>th</sup> September, 2016. Cabinet Division circulated guidelines for implementation of the Programme vide notification No. F.7(2)(Dev)/2016 dated 10<sup>th</sup> October, 2016.

These schemes are community based and ranges from Rs 0.5 million to Rs 30.0 million. Schemes above Rs 30.0 million are to be approved by the Prime Minister. At least 15 residents of area are required to request for scheme to Divisional Commissioner or executing agency. Technical feasibility and cost estimates are to be prepared by executing agency. Proposals are to be submitted to competent forum for approval. The competent forum is required to certify that schemes are feasible and in public interest. The scheme is to be submitted to the Programme Implementation Unit (PIU) through the Provincial Steering Committee.

### **1.3 Description of the Programme**

Programme for “Sustainable Development Goals” aims at providing development opportunities in deficient areas by direct targeted intervention on the recommendation of their respective communities in Power Sector, Gas & Natural Resources, Social Sector and Infrastructure Sector. The programme is of legislative/public interest and has high social impact as large number of people are to be benefitted. Overall programme carries high financial value, however, individual schemes are of small value.

## **2. AUDIT OBJECTIVES**

The objectives of the audit are to examine whether:

- i. Cabinet Division’s and Planning Commission’s guidelines were followed and execution of schemes was aligned with overall objectives of SDGs;
- ii. moneys shown as expenditure in the accounts were authorized for the purpose for which they were spent;
- iii. expenditure incurred was in conformity with the laws, rules and regulations framed to regulate the procedure for expending public money;
- iv. principles of economy, efficiency and effectiveness were followed.

## **3. AUDIT SCOPE AND METHODOLOGY**

### **3.1 Scope**

The scope included review of the development schemes under Sustainable Development Goals Achievement Programme executed by various federal executing agencies i.e. Pakistan Public Works Department (Pak. PWD), Distribution Companies, Sui Northern Gas Pipelines Limited

(SNGPL), Sui Southern Gas Company Ltd (SSGCL) and FATA (through Public Health Engineering (PHE) and Local Government & Rural Development Department) during the years 2016-18.

### **3.2 Methodology**

- i. Understanding the auditee/activity;
- ii. Defining audit objectives;
- iii. Developing audit procedures;
- iv. Conducting audit as per audit procedures;
- v. Evaluating results;
- vi. Reporting.



**CHAPTER 1**  
**MINISTRY OF HOUSING AND WORKS**  
**(PAKISTAN PUBLIC WORKS DEPARTMENT)**

**1.1 INTRODUCTION**

The Directorate General Audit Works (Federal), Islamabad conducted special audit of the “Prime Minister’s Global Sustainable Development Goals (SGDs) Achievement Programme” during October 2017 and November 2018 for the financial years 2016-17 and 2017-18 respectively.

Execution status of the programme by Pakistan Public Works Department is placed below:

**(Rs in million)**

<b>Audit Year (Financial Year)</b>	<b>Total No. of Schemes approved</b>	<b>Total No. of Schemes executed</b>	<b>Actual Release of Funds</b>	<b>Total Expenditure</b>
2017-18 (2016-17)	1121	766	5,374.500	4,853.219
2018-19 (2017-18)	832	791	5,213.596	4,855.893
<b>Total</b>	<b>1953</b>	<b>1557</b>	<b>10,588.096</b>	<b>9,709.112</b>

**Note:** The information regarding budget allocation, releases and expenditure was derived from the statements received from the Directorate Budget & Account Pak. PWD, Islamabad and Chief Engineer Planning, Pak. PWD.

**1.2 AUDIT FINDINGS AND RECOMMENDATIONS**

**Irregularity and Non-Compliance**

**1.2.1 Unauthorized payments without approval of contract agreements - Rs 3,274.735 million**

Para 7.12 (c) of Pakistan Public Works Department Code, 1982 provides that the agreement with the contractors selected must be in writing and should be precisely and definitely expressed.

Condition No. (i) of tender acceptance letters of the Chief Engineer (West) provides that the agreement may be drawn and submitted to the office complete in all respects after proper check by DAO and no payment may be made to the contractor without approval of agreement from the Competent Authority.

Audit noted that various Divisions of Pak. PWD made payments to the contractors on account of Prime Minister's Global Achievement Programme, without acceptance/signing of contract agreements by the competent authority, i.e. Superintending Engineers and/or Chief Engineers.

This resulted into unauthorized payments without formal approval of the contract agreements by the authorized officers competent to accept the contract agreements amounting to Rs 3,274.735 million (Annexure-A).

Audit pointed out the irregularity during November 2017 & October 2018. The CCD Nawabshah got verified 05 approved agreements out of 23 and CCD Abbottabad got verified 06 approved agreements out of 68.

Audit recommends that remaining contract agreements may be approved besides fixing responsibility for making payments without approval of agreements.

### **1.2.2 Unauthorized transfer of funds from lapsable PLA-I to non-lapsable PLA-IV - Rs 2,292.556 million**

The Finance Division (Budget Wing), Government of Pakistan vide letter No. F-3(20) BR/II/94-B-Vol-I/313 dated 15<sup>th</sup> April 1997 allowed operation of four (4) Personal Ledger Accounts (PLA) in Pak. PWD with zero balances operative from 1<sup>st</sup> July, 1997:

<b>PLA No.</b>	<b>Description</b>	<b>Nature</b>
PLA-I	Annual Development Programme	Lapsable
PLA-II	Maintenance only	Lapsable
PLA-III	Deposit Works	Non-lapsable
PLA-IV	Other Deposits such as Contractor's Securities, GP Fund receipts, etc.	Non-lapsable

Audit noted that Executive Engineers of various Divisions of Pak. PWD approved contractor's claims, booked the expenditure against their work done but withheld a sum of Rs 2,292.556 million during the financial years 2016-17 and 2017-18. The withheld amounts are being released in subsequent financial years. This resulted in unauthorized transfer of funds of Rs 2,292.556 million (Annexure-B).

Audit holds that by converting the lapsable nature of funds into non-lapsable funds, the mandate of the Parliament was undermined.

Audit pointed out the irregularity during November 2017 & October 2018. The department replied that funds were released in the closing month of the financial year and amounts withheld from the bills of the contractors for want of test checks by the officers, approval of extra items, etc. were transferred in PLA-IV for subsequent clearance.

The reply was not tenable as transfer of funds to non-lapsable account against approved claims was violation of PLA authorization.

Audit recommends investigation in the matter to fix responsibility and action against persons(s) at fault besides appropriate measures to stop such practices in future.

### **1.2.3 Award of works in non-transparent manner and without open competition - Rs 1,741.946 million**

Rule 12(2) of Public Procurement Rules 2004, provides all procurement opportunities over two million rupees should be advertised on the Authority's website as well as in other print media or newspapers having wide circulation. Further, rule 15 provides that the procuring agency, prior to the floating of tenders, invitation to proposals or offers in procurement proceedings, may engage in pre-qualification of bidders in case of services, civil works, turnkey projects and in case of procurement of expensive and technically complex equipment to ensure that only technically and financially capable firms having adequate managerial capability are invited

to submit bids. Such pre-qualification shall solely be based upon the ability of the interested parties to perform that particular work satisfactorily.

Audit noted that 12 Divisions of Pak. PWD awarded 305 works costing Rs 1,741.946 million during 2016-17 and 2017-18.

Audit observed that works were awarded to already prequalified contractors without open competition and in violation of Public Procurement Rules. In certain cases, works were awarded to ineligible contractors without prequalification of bidders and without observing codal formalities. Award of works in non-transparent manner deprived the Department of the advantage of achieving competitive rates and other prospective bidders to compete for works. This resulted in irregular award of works for Rs 1,741.946 million (Annexure-C).

Audit pointed out the irregularity during November 2017 & October 2018. The department replied that Chief Engineer (North), Pak. PWD, Islamabad renewed the prequalification done in 2015-16 due to same nature of works and area and further replied that works were awarded after observing all codal formalities i.e. accord of TS Estimate, open tendering, etc.

The reply was not tenable because the Divisions at Peshawar awarded the works to contractors through already pre-qualified contractors without competitive bidding. In certain cases contractors were not prequalified and not registered with Pakistan Engineering Council in specified category.

Audit recommends that matter be investigated to fix responsibility against the responsible.

#### **1.2.4 Unauthentic payment without recording detailed measurement of work in Measurement Book - Rs 1,651.204 million**

As per Para 208 of Central Public Works Accounts Code, payments for all work done are made on the basis of measurements recorded in the



Measurement Book (Form 23) in accordance with the rules in Para 209 of CPWA Code. The Measurement Books should, therefore, be considered as very important accounts record. Para 209(b) states that all measurements should be neatly taken down in a Measurement Book.

Audit noted that Executive Engineer, Central Civil Division Pak. PWD Abbottabad made payments of Rs 1,651.204 million without recording detailed measurement of each item of work done in Measurement Books.

Audit observed that contractor's bills were prepared and passed within one week after start of work as "work done but not measured". Value of each bill was ranging from Rs 5 million to Rs 123 million. Audit further observed that in some cases payments of work done were made to the contractors on very next day of award of work.

<b>Para No. of AIR/Audit Year</b>	<b>No. of Schemes</b>	<b>Amount (Rs in million)</b>
05/2017-18	230	1,530.807
04/2018-19	12	104.735
11/2018-19	16	15.662
<b>Total</b>	<b>258</b>	<b>1,651.204</b>

Audit holds that veracity/authenticity of payment could not be verified in absence of detailed measurements in Measurement Books. Further, execution of huge quantum of work within ten days as per specification was not possible as most of the works involved cement concrete which requires 28 days for achieving specified strength. It appeared that no work was executed at site and contractor's bills were preferred on the basis of unrealistic certificates recorded by the concerned Sub-engineers and Assistant Executive Engineers. Audit further observed that test checks were not recorded by the Divisional Officers in all the works. This resulted in unauthentic payment of Rs 1,651.204 million

Audit pointed out the irregularity during November 2017 and October 2018. The department replied (Para 11/2018-19) that formalities

could not be completed due to rush of work. However, all the works have been completed according to the Specifications.

The reply was not tenable as execution of work as per Specification within 03 days of award of works was not possible.

Audit recommends fixing of responsibility against those who made payment without execution of work and recording detailed measurements in Measurement Books.

**1.2.5 Unauthentic payment without execution of works - Rs 1,496.384 million**

As per Para 208 of Central Public Works Accounts Code, payments for all work done are made on the basis of measurements recorded in the Measurement Book (Form 23) in accordance with the rules in Para 209 of CPWA Code. The Measurement Books should, therefore, be considered as very important accounts record. Para 209(b) states that all measurements should be neatly taken down in a Measurement Book.

Audit noted that Executive Engineer, Central Civil Division Pak. PWD Abbottabad made payments to various contractors against 491 works during 2016-17 & 2017-18.

Audit observed that financial progress was higher than value of actual work done as per progress reports for the month of June 2017 and June 2018. This proves that payments were made to the contractors without execution of works as under:

(Rs in million)

Para No.	Funds released	No of Works/ Schemes	Payments made	Payments due as per Physical progress	Unauthentic Payments
05/2017-18	1,530.807	230	1,224.645	489.858	734.873
07/2018-19	941.425	261	941.425	179.714	761.511
<b>Total</b>	<b>2,472.232</b>	<b>491</b>	<b>2,166.07</b>	<b>669.572</b>	<b>1,496.384</b>

This resulted in unauthentic payment of Rs 1,496.384 million without execution of works.

Audit pointed out the irregularity during November 2017 and October 2018. The department replied (Para 07/2018-19) that one scheme valuing Rs 30.00 million could not be started due to non-release of funds and 267 schemes have been completed against total expenditure of Rs 941.425 million with saving of Rs 24.779 million against minor saving/ unspent contingencies.

The reply was not accepted as payments were made beyond physical progress/actual work done.

Audit recommends fixing of responsibility against those who made payment without execution of works.

#### **1.2.6 Irregular execution and finalization of Development Schemes - Rs 1,326.781 million**

Para ix of the administrative approval denotes, that Pak. PWD was strictly advised to complete all codal formalities, PPRA rules, PEC bylaws, and ensure full transparency in award of works in all the cases. Moreover, photographs & visual/video of existing condition of all sites may be made for record before and after completion of work.

Audit noted that Executive Engineer, Electrical & Mechanical Division, PPWD, Quetta made payments of Rs 1,326.781 million during the financial year 2017-18 against SDGs (Rs 466.995 million against 106 schemes of SDGs from the funds placed under PLA-IV in the financial year 2016-17 and Rs 859.786 million from the funds allocated for the financial year 2017-18). These works included installation of solar panels and tube wells.

During scrutiny of above-mentioned works involving Rs 1,326.781 million, Audit noted the following shortcomings:

1. Analysis of rates of the procured solar energy system and other equipment duly supported with quotations were not found with Technical Sanction Estimate. (Para-296 of CPWA Code)
2. Pre-qualification process of suppliers/contractors was not carried out as required in PPRA 2004. (Rule 15(1) of PPRA)
3. Exact location of Installation of Submersible Pumping Sets and Boring Works were not mentioned in measurement books. (Para-209(c)(a))
4. Contractors valid Registrations with Pakistan Engineering Council and Electric Contractors License of the contracts were not found on record. (Violation of NIT)
5. O&M certificates of agencies responsible for maintenance and Mutation of Land (Free of Cost) in the name of Government were not found on the record. (Violation of guidelines of Admin Approval)
6. Maintenance charges were not transferred to Provincial line departments for maintenance. (Violation of guidelines of Admin Approval)
7. Third party evaluations were not conducted up to the month of October 2018. (Violation of guidelines of Admin Approval)
8. Invoices of sales tax for procurement of material/equipment were not provided to auditors. (Violation of General Sales Tax rules)

Audit pointed out the irregularities in October, 2018. The department did not reply.

Audit recommends fixing of responsibility for omissions of codal formalities and ensuring corrective measures.

(Para-16)

### **1.2.7 Irregular award of work without technical sanction to estimate of works - Rs 798.874 million**

As per para 6.06 of CPWD Code, there are four main stages in the project for a central work, namely, administrative approval, expenditure sanction, technical sanction, and the appropriation or re-appropriation of funds.

Audit noted that 07 Divisions of Pak. PWD awarded 167 works costing Rs 798.874 million to various contractors during the year 2016-17.

Audit observed that schemes/works were awarded without getting the estimates technically sanctioned. This resulted in irregular award of works for Rs 798.874 million (Annexure-D).

Audit pointed out the irregularity during November 2017. The department replied in most of the cases that works were awarded after observing all codal formalities i.e. accord of TS Estimate, open tendering, etc. In one case (CCD-III Peshawar) it was replied that though tenders were called in anticipation of release of funds but it were opened after sanction of TS Estimate and receipt of funds.

The reply was not tenable because tenders were called without completing the codal formalities.

Audit recommends that matter be investigated to fix responsibility against persons at fault.

### **1.2.8 Irregular booking of expenditure without payments to the contractors - Rs 419.272 million**

As per Para 208 of Central Public Works Accounts Code, payments for all work done are made on the basis of measurements recorded in the Measurement Book (Form 23) in accordance with the rules in Para 209 of CPWA Code. The Measurement Books should, therefore, be considered as

very important accounts record. Para 209(b) states that all measurements should be neatly taken down in a Measurement Book.

Audit noted that the Executive Engineer, Central E/M Division, Pak. PWD Quetta made payments of Rs 419.272 million to various contractors against 23 works in the last two weeks of June 2017.

Audit observed that after deduction of 10% security deposit and 7.5% income tax net amount payable to the contractors was withheld and placed in Head of account "P.W. Deposits". This state of affairs indicates that bills of the contractors were prepared just to utilize the funds without any physical progress. Accordingly, expenditure against payment was booked without actualizing the payments as cheques were not issued to the contractors. This resulted in booking of expenditure without any payment to the contractors for Rs 419.272 million.

Audit pointed out the irregularity during November 2017. The department did not reply.

Audit recommends investigation into the matter to fix responsibility and action against person(s) at fault.

(Para 09)

### **1.2.9 Non-obtaining of performance securities from the contractors - Rs 341.985 million**

As per clause 10.1 (Performance Security) of PEC standard bidding documents, the contractor shall provide Performance Security to the Employer in the prescribed form. The Performance Security shall be of an amount equal to 10% of the contract price in the form of either (a) bank guarantee from any scheduled bank in Pakistan or (b) bank guarantee from a bank located outside Pakistan duly counter-guaranteed by a scheduled bank in Pakistan or (c) an insurance company having at least AA rating from Pakistan Credit Rating Agency (PACRA)/Japan Credit Rating (JCR).

Audit noted that various Divisions of Pak. PWD awarded works valuing Rs 3,419.849 million to various contractors.

Audit observed that performance securities equal to 10% of the contract amount were not obtained from the contractors. This resulted into non-obtaining of performance securities for Rs 341.985 million (Annexure-E).

Audit pointed out the irregularity during November 2017 & October 2018. The department replied in certain cases that agreements were signed on form CPWA-06 & 07 which did not have such clause. The reply was not tenable because PEC bidding documents are mandatory to be followed by executing departments as per PPRA regulations. In some cases it was replied that performance securities will be provided to Audit for verification. The Executive Engineer, CCD Abbottabad (Para 12 Audit Year 2018-19) produced performance bond for one work, another work was not started and Rs 7.170 million recovered out of Rs 8.123 million. Recovery of premium in third work was awaited.

Audit recommends that recovery of built-in charges to maintain performance security may be made besides fixing of responsibility against responsible.

#### **1.2.10 Loss due to award of works at higher rates - Rs 288.611 million**

Rule-10(i) of GFR (Vol-I) provides that every officer is expected to exercise the same vigilance in respect of expenditure from public fund as a person of ordinary prudence would exercise in respect of expenditure out of his own money.

As per TS Estimates of the RCC Bridges, no market fluctuation was sanctioned on estimated cost of bridges based on Market Rates System 2016 (Khyber Pakhtunkhwa) and Non-schedule items. Similarly no premium was admissible on rate of non-BOQ item analyzed on the basis of current market prices.

Audit observed that:

- i. CCD-VIII, Islamabad paid extra item @ Rs 2,800 per hundred cft instead of Rs 2,300 per hundred cft approved in first instance.
- ii. CCD Abbottabad awarded 05 works of construction of bridges 23 to 29% above the estimated cost whereas no premium was sanctioned in TS Estimate as BOQ was based on prevailing market rates. Further, premium was also allowed on non-scheduled items and higher rate of boring in hard rock was paid.
- iii. PCD Nowshera allowed higher rate of sub-base.
- iv. CCD-I Quetta & CCD-II Quetta allowed incorrect rate for item of work “providing and laying 1:2:4 cement concrete in foundation”
- v. CCD Khuzdar allowed higher rate of premium on market rates.
- vi. CCD-II Peshawar allowed higher rate due to award of work without open tender.

Allowing of higher/incorrect rate and premium on non-scheduled item resulted in loss of Rs 288.611 million (Annexure-F).

Audit pointed out the loss during November 2017. The department in one case (CCD Abbottabad) that Administrative Approval has been revised. The reply was not tenable because justification for premium at the rate 20% above the market rates was not furnished.

Audit recommends early recovery of loss/overpaid amount besides fixation of responsibility.

#### **1.2.11 Unauthorized charging of Departmental Charges - Rs 136.315 million**

According to the Administrative Approvals issued by the Ministry of Housing & Works (Government of Pakistan) time to time for execution of



Development Schemes under the programme Sustainable Development Goals (SDGs), 6.5% Departmental Charges were not allowed.

Audit observed that various divisions of Pak. PWD charged departmental charges amounting to Rs 136.315 million.

Audit holds that charging of departmental charges was violation of the administrative approvals issued by the Ministry of Housing & Works. This resulted in unauthorized charging of departmental charges of Rs 136.315 million (Annexure-G).

Audit pointed out the irregularity during November 2017 & October 2018. The department did not reply.

Audit recommends that responsibility may be fixed and rectification of the expenditure charged be made.

#### **1.2.12 Overpayment due to allowing excess quantities without approval - Rs 190.504 million**

According to Terms & Conditions of Acceptance Letters of works, “No excess over the quantities given in the BOQ should be permitted in respect of all items of work”. Further additions/alterations are not allowed without prior approval of the Competent Authority.

Audit noted that various Divisions of Pak. PWD measured and paid quantities of items of work in excess of provisions of BOQ/TS Estimate.

Audit observed that excess quantities were paid without approval of the competent authority in violation of standing instructions by the Chief Engineers. This resulted in overpayment of Rs 190.504 million (Annexure-H).

Audit pointed out the overpayment during November 2017 & October 2018. The department replied that variation in quantities was due to

site requirement. In certain cases it was further replied that deviation is within permissible limit of 15% of estimated cost.

The reply was not tenable because excessive quantities were paid without approval in violation of condition of Acceptance Letter.

Audit recommends recovery/regularization of overpaid amount besides fixing responsibility.

### **1.2.13 Violation of Cabinet Division Guidelines due to processing of schemes by the Executing Agencies on the request of less than fifteen (15) Community Members - Rs 108.569 million**

Cabinet Division Guidelines for Implementation of the Prime Minister Global SDGs Achievement Programme vide letter No. F.7(2)/(Dev)2016 dated 10.10.2016 provide that at least 15 residents are required to request to the Divisional Commissioner/Executing Agencies for processing of scheme.

Audit observed during scrutiny of the relevant record of the Executive Engineer CCD, Pak. PWD, Abbottabad that 31 SDGs schemes valuing Rs 108.569 million were processed by Executing Agency on the request of less than 15 community members. Whereas, according to the above referred guidelines of the Cabinet Division no scheme was required to be processed until unless the request was submitted by the 15 residents of the area at least. Processing of the schemes for the approval of the competent forum in absence of the required community members constituted serious irregularity on the part of processing/executing agency.

Audit pointed out the irregularity in October 2018. The department replied that due to processing of more than 400 schemes pertaining to different constituencies of Hazara Division and due to rush of work certain columns of the proforma for requesting of schemes were left incomplete, but copies of CNIC of 15 community members who identified scheme are available in record. Accordingly schemes were got approved by DDWP and

works have been completed and no loss caused to the national exchequers on this account.

The reply was not tenable because proposal for initiating schemes was not requested by 15 members of the community.

Audit recommends for fixing of responsibility for non-observing Cabinet Division's guidelines.

(Para-9)

#### **1.2.14 Less deduction of Income Tax - Rs 57.076 million**

As per Section 153(1) (c) of Income Tax Ordinance, 2001, deduction of Income Tax at source was to be made @ 7% from companies and 7.50% from others. The rate of deduction of income tax for non-filer companies is 12% and for others is 12.5% on value of work done.

Audit noted that nine (9) Divisions of Pak. PWD awarded works and made payments to various contractors against running bills during 2016-17.

Audit observed that:

- i. income tax was deducted at rate of 7% instead of 7.5%;
- ii. exemption certificate issued by FBR was not produced in certain cases;
- iii. proof of registration as company was not obtained/produced;
- iv. name of contractor at active tax payer list was not verified;

This resulted in less deduction of income tax amounting to Rs 57.076 million (Annexure-I).

Audit pointed out the less recovery during November 2017. The department replied that some contractors are resident of tax exempted areas.

The reply was not tenable as contractors were not exempted from deduction of tax at place of payment.

Audit recommends early recovery of due income tax.

#### **1.2.15 Non-imposition of liquidated damages for delay in completion of work - Rs 27.162 million**

Clause 47.1 of the contract agreements provides that if the contractor fails to comply with the time completions schedule, the contractor shall be liable to pay delay completion compensation upto 10% of the contract cost.

Audit noted that 04 Divisions of Pak. PWD awarded various works valuing Rs 281.278 million to various contractors.

Audit observed that contractors could not complete the works in stipulated time period. So the contractors rendered themselves liable to pay liquidated damages amounting to Rs 27.162 million (10% of Rs 271.617 million) which were not recovered. This resulted in non-recovery of liquidated damages amounting to Rs 278.162 million (Annexure-J).

Audit pointed out the irregularity during November 2017 & October 2018. The department did not reply.

Audit recommends that liquidated damages may be imposed and deducted.

#### **1.2.16 Irregular award due to acceptance of bids higher than PC-I cost - Rs 24.720 million**

Para 6.17 of CPWD Code provides that when the expenditure upon a work exceeds, or is found likely to exceed, the approved cost more than 15% or the amount prescribed in para 6.14 whichever is less, a revised approval must be obtained from the authority competent to approve the cost, as so enhanced.

Audit observed that 02 works were awarded in excess of cost approved in PC-I/Admin Approval. This resulted in irregular award of works for Rs 24.720 million as follows:

<b>Sr. No.</b>	<b>Para No of AIR (Audit Year)</b>	<b>Name of Division</b>	<b>Excess over PC-I (Rs in million)</b>
1.	10 (2017-18)	CCD Abbottabad	19.380
2.	03 (2017-18)	PCD-II Islamabad	5.340
<b>Total</b>			<b>24.720</b>

Audit pointed out the irregularity during November 2017. The department did not furnish reply.

Audit recommends that matter be investigated to fix responsibility against responsible.

#### **1.2.17 Non-recovery due to non-obtaining of work insurances - Rs 20.129 million**

According to Clause 14.2 of the agreement (PEC Standard Bidding Documents for Smaller Contract), the contractor shall, prior to commencing the works, effect insurances of the types, in the amounts and naming the persons stipulated in the contract data (Contract cost) except for items (a) to (e) and (i) of the Employer's Risks under sub-clause 6.1. The policies shall be issued by the insurer and in terms approved by the Employer. The contractor shall provide the Engineer/Employer with evidence that any required policy is in force.

Audit noted that various Divisions of Pak. PWD awarded works valuing Rs 2,012.905 million to various contractors.

Audit observed that work insurance policies were neither obtained from the contractors nor effected by the department itself. Clause regarding work insurance was not invoked which tantamount to undue benefit to the contractors. This resulted into non-obtaining of insurance policies for the

works worth Rs 2,012.905 million and extending undue benefit of Rs 20.129 million to the contractors as they saved built-in charges to maintain the insurance cover (Annexure-K).

Audit pointed out the irregularity during November 2017 & October 2018. The department replied in certain cases that agreements were signed on form CPWA-06 & 07 which did not have such clause. In 02 cases (CCD-I Quetta and CCD-II Quetta) obtained work insurance after completion of works whereas in most of cases reply was not furnished.

The reply was not tenable because PEC bidding documents are mandatory to be followed by executing departments as per PPRA regulations. PEC has prescribed bidding documents for various categories of procurements of works, services, goods etc. like small works and mega works. Pak. PWD, therefore, should adopt PEC bidding documents for small works as well.

Audit recommends recovery of built-in charges to maintain insurance besides fixing of responsibility against responsible.

#### **1.2.18 Overpayment due to non-deduction of quantity of Murum - Rs 17.056 million**

According to approved design of Road in administrative approvals issued by the Ministry of Housing & Works for development schemes in NA-262, NA-263 and NA-267, thickness of the road structure was approved without taking into account thickness of murum.

Item No. 10 (5) at page 397 road & runways (SH-127) Brief Specification of Pak. PWD annexed with SR-2012 for Base Course, provides that cover surface with ½ inch/13 mm layer of approved grit (river sand gravel, or shingle or stone screening) and open road to traffic.

Audit noted that various Divisions of Pak. PWD measured and paid an item of work, "Supplying, Stacking and Spreading murum of approved

quality over stone metaling or brick ballast including watering, consolidation with power roller including all lead and lift”.

Audit observed that filling of murum did not increase overall thickness of road pavement. This proved that murum was filled in Base course to cover the voids, therefore, quantity of Base course equal to murum was deductible but no such deduction was made. This resulted in overpayment of Rs 17.056 million (Annexure-L).

Audit pointed out the overpayment during November 2017 & October 2018. The department did not reply.

Audit recommends recovery of the amount involved.

### **1.2.19 Execution of work beyond specification - Rs 11.614 million**

Schedule of Rates 2012 of Pak. PWD does not include the item of work “Supplying, Stacking and Spreading soil aggregate Ghera/pit-run gravel available as such in the natural consists of pebbles shingle and sand (a mixture of natural and crush stone) as approved by the Engineer in charge watering consolidation compacting to required density with power roller including all lead and lift consolidation by ramming and watering, etc., complete”.

Audit noted that Executive Engineer, Central Civil Division Pak. PWD, Bannu, and D. I. Khan awarded various works. In these works the above cited non-schedule rate was paid @ Rs 2,723.66 %cft in the estimates based on SR 2012.

Audit observed that that it is a clear departure from Pak. PWD specification and is not backed by any standard engineering practices. This resulted into irregular payment of Rs 11.614 million.

Audit pointed out the irregularities in October, 2018. The department did not reply.

Audit recommends for justification/regularization of the matter from competent forum.

(Para-02 of CCD D I Khan and 03 of CCD Bannu)

**1.2.20 Overpayment due to non-recovery of serviceable hard rock - Rs 11.470 million**

Pak. PWD Specification 28.1-11 provides that the actual number of per hundred cft of quarry stone excavation acceptable, performed and /or compacted shall be measured. The material obtained from blasting and rock cutting will be closed stacked. The stacks will be measured and the gross measurement reduced by 33% to allow for voids to arrive at the quantity payable under these items. As per specification, if the excavated material was found unserviceable then 50% of the quoted rate for the item is payable.

Audit noted that Executive Engineer, CCD Pak. PWD, Abbottabad made payment of Rs 144.639 million upto 4<sup>th</sup> running bill against contract cost of Rs 143.725 million including cost of excavation of hard rock for Rs 22.940 million (1,003,724 cft @ Rs 2,285.58 %cft).

Audit observed that payment to the contractor was allowed without taking into account recovery of cost of stone. This resulted in overpayment of Rs 11.470 million (Rs 22.940 million x 50%).

Audit pointed out the overpayment during November 2017. The department did not reply.

Audit recommends early recovery of overpaid amount.

(Para 12 CCD Abbottabad)

**1.2.21 Overpayment due to change in classification of soil - Rs 10.041 million**

According to PC-I/TS Estimate/BOQ of the work "Construction of Premix Road, RCC Bridge from Kangar Paien to Seri Sher Shah, NA-18,



District Abbottabad” the item of work “excavation or cutting in soft rock including sorting and stacking stuff complete” was payable @ Rs 1,040.46 %cft was provided for a quantity of 253,325 cft.

Audit noted that Executive Engineer, Central Civil Division, Pak. PWD, Abbottabad measured and paid a quantity of 1,130,644 cft against item of work “excavation or cutting in soft rock including sorting and stacking stuff complete payable @ Rs 1,040.46 %cft.

Audit observed that 877,319 cft (1,130,644 - 253,325) quantity of the item was paid in excess than estimate/BOQ provision through change in classification of soil without approval of the competent authority which resulted in overpayment of Rs 10.041 million (877,319 @ Rs 1,040.48 %cft + 10% premium)

Audit pointed out the overpayment during November 2017. The department did not reply.

Audit recommends recovery of overpaid amount besides investigation for fixing responsibility against the persons at fault.

(Para 14)

### **1.2.22 Irregular expenditure on account of administrative overheads - Rs 3.028 million**

According to para-15 of the policy guidelines of the Prime Minister’s Global SDGs Achievement Programme approved by the Federal Cabinet in its meeting held on 30<sup>th</sup> September, 2016 para-15 which is reproduced as under:-

“Expenditure shall not be incurred, on purchase of equipment vehicles, fixtures, salaries, printing of diaries / calendars / banners, holding of official meetings and dinners/parties etc. Similarly, no administrative overheads shall be charged by any agency for execution of the SDG’s schemes” {No.7-2/216-SO(DEV-II)(VoI-II), dated 29<sup>th</sup> May, 2017}.

Audit noted that Executive Engineer, Central Civil Division, Pak. PWD Hyderabad incurred expenditure on account of contingencies under Prime Minister's Global SDGs Achievement Programme during the year 2017-18.

Audit observed that the expenditure was incurred on account of POL, photo copies, printing of MBs, TA/DA, Driver's pay, furniture, etc. which was not admissible under the policy guideline as stated above. Audit holds that non-adherence of the policy guidelines resulted in irregular expenditure of Rs 3.028 million.

Audit pointed out the irregularity during October 2018. The department replied that tender advertisement, PPR, photocopies charges etc., were charged to contingencies, which is main requirement for execution and supervision of SDG's schemes. The reply was not tenable because expenditure incurred under SDG schemes was not admissible.

Audit recommends investigation of the matter to fix responsibility besides regularization of the matter.

(Para-10 of AY 2018-19)

## **Performance**

### **1.2.23 Non-preparation of PC-IV of schemes / works under Prime Minister's Global SDGs Achievement Programme - Rs 3,241.944 million**

As per item 17 of guidelines for implementation of the Prime Minister's Global SDGs Achievement Programme issued by Cabinet Division, the PAOs shall prepare completion certificates on PC-IV proforma within three months of the project completion sending copies to Cabinet Division, Planning, Development & Reform Division and Finance Division. Further item 13 of the guidelines stipulates that schemes identified for a specified financial year shall be completed within the same year.

Audit noted that Pak. PWD initiated 1,121 schemes during 2016-17 & 832 schemes during 2017-18 under Prime Minister's Global SDGs Achievement Programme.

Audit observed that the department neither closed the accounts of the completed schemes nor prepared the work completion report (PC-IV) involving expenditure of Rs 3,241.944 million (Annexure-M) in violation of Cabinet Division's guidelines.

Audit pointed out the irregularity during November 2017 & October 2018. The department replied that after completion of maintenance period, PC-IV will be submitted.

The reply was not tenable because as per the guidelines, the completion certificates on PC-IV proforma have to be completed within three months of project completion.

Audit recommends early preparation of PC-IVs of completed schemes and submission to authority concerned.

### **Internal Control Weaknesses**

#### **1.2.24 Non-Conducting of third party validation of completed schemes - Rs 1,706.734 million**

Condition No.VIII of admin approvals issued by the Ministry of Housing & Works provides that on completion of works, third party validation would be conducted. Its expenditure will be met from overall savings/contingency of the project.

Audit noted that five (5) Divisions of Pak. PWD completed various schemes amounting to Rs 1,706.734 million as detailed below:

<b>Para No. of AIR</b>	<b>Division</b>	<b>Amount (Rs in million)</b>
<b>Audit year 2017-18</b>		
03	C E/M Div-I Islamabad	17.774
03	P E/M Div-I Islamabad	10.631
04	C E/M Div Quetta	1,067.351
<b>Audit year 2018-19</b>		
06	CCD-VIII, Islamabad	300.247
03	PCD-II, Islamabad	310.731
<b>Total</b>		<b>1,706.734</b>

Audit observed that third party validation of completed schemes was not conducted in compliance to instructions contained in the Administrative Approval. This resulted in non-conduction of third party validation of completed schemes costing Rs 1,706.734 million.

Audit pointed out the irregularity during November 2017 and October 2018. The department replied that third party validation will be processed and results will be reported to Audit as and when conducted.

Audit recommends fixing of responsibility for non-compliance to instructions contained in the admin approvals. It is a serious lapse because it deprives the Parliament from independent evaluation of public works.

#### **1.2.25 Award of works without obtaining O&M Certificates/Mutation of Land - Rs 1,476.865 million**

As per approval of the Cabinet Division regarding P.M Global SDGs Achievement Programme the schemes shall be executed subject to:

- i. Operations and Maintenance Certificates will be obtained from quarter concerned before award of works.
- ii. Mutation of land (free of cost) in the name of government before construction of building/new road/extension of road or any Project.

Audit noted that Pak. PWD awarded various schemes at cost of Rs 1,476.865 million (Annexure-N) but O&M certificates of agencies responsible for maintenance & mutation of land were not available on the record.

Audit observed that the said schemes were awarded without fulfilling the instructions and guidelines of Cabinet Division.

Audit pointed out the irregularity during November 2017 & October 2018. In some cases (CCD Abbottabad) obtained O&M certificates from relevant agencies but mutation of land was not made.

Audit recommends fixing of responsibility for non-compliance to government instructions.

#### **1.2.26 Unauthentic quality of executed work without required Test Checks - Rs 498.048 million**

As per Para 6 of instructions contained in MB (with reference Para 209 to 211 of CPWA Code) the measurement should be recorded only by Executive, Assistant Executive or Assistant Engineers or by executive subordinates in charge of work. All such measurements (i.e. those by recorded by subordinates) should, however, be test checked to the extent of at least 50% by the sub-divisional officer himself in each case, and he will be responsible for the general correctness of the bill as whole. Para 8 provides that the Divisional Officer should test check at least 10% of measurements recorded by his subordinates, and accept responsibility for the general correctness of the bill as a whole.

Audit noted that Executive Engineers of various Divisions of Pak. PWD did not exercise test checks of the measurements in respect of works costing Rs 498.048 million (Annexure-O). Supervisory visits were also not conducted to inspect on-going schemes of SDGs. Lack of supervision and proper monitoring resulted in irregular utilization of funds.

Audit holds that execution of works without inspection/ test checks resulted in unauthentic expenditure, violation of codal rules and deviation from core responsibility.

Audit pointed out the irregularity during November 2017. The department did not reply.

Audit recommends fixing of responsibility for non-compliance to codal provisions.

#### **1.2.27 Execution of works without required lab tests - Rs 680.607 million**

Para 9 (xi) of Sub-Head-127 (Roads & Runways) of Schedule of Rates, Pak. PWD, provides that during the entire operation of laying and compacting of sub-base course, the Moisture Test, Grading Test & Field Density Test shall be carried out both in the field and laboratory.

According to condition No. 10 of Admn. Approval issued by Ministry of Housing and Works, the structure designing of projects should be ensured before execution of the works. Moreover, all necessary material and site testing be ensured.

Audit noted that various Divisions of Pak. PWD executed various schemes/works costing Rs 680.607 million (Annexure-P).

Audit observed that specified requirement of lab testing was not carried out. In absence of test reports of earthwork, stone ballast and the thickness, density of Asphalt concrete and quality of material in conformity with the specifications cannot be authenticated. Audit further observed that 97% work of the scheme was completed and payment to contractor was made but no photographs and visuals regarding condition of sites were prepared before and after completion of the schemes.

Audit pointed out the irregularity during November 2017 & October 2018. The department replied that test reports and photographs before,

during the work, after completion of works were available in sub-divisions which will be verified from Audit. CCD, Abbottabad, CCD, Khuzdar and CCD-I Peshawar made partial compliance and got verified some of the lab test reports.

The reply was not based on facts because the subject record was not provided to the auditors in most of the cases.

Audit recommends that lab test reports may be provided to audit for verification and to ascertain the facts.

**1.2.28 Non-obtaining of non-duplication certificates for works and non-handing over of completed schemes alongwith operating cost - Rs 53.576 million**

According to Admn Approval of the schemes No. F.60 (DDWP)/2016-17/III/AEA dated 17<sup>th</sup> April, 2017, non-duplication certificate (that the same schemes of similar nature have not been / will not be undertaken under any federal or provincial programme by Pak. PWD) was required to be obtained before execution of works. As per PC-I of the development schemes of Prime Minister Global Sustainable Development Goals (SDGs) Achievement Programme (2016-17), the works were required to be started during April 2017 and completed upto June 2017 and handed over to TMA for operation & maintenance alongwith 2% of the estimated cost.

Audit noted that various Divisions of Pak. PWD awarded development schemes under the Prime Minister's program "Global Sustainable Development Goals (SDGs)" to different contractors during 2016-17 & 2017-18.

Audit observed that non-duplication certificates from the provincial/local government were not received for works of same nature in subjected areas before execution of works. Audit further observed that completed schemes were not handed over to respective TMAs/local government for operation and maintenance (O&M) alongwith 2% annual

operating cost. This resulted into non-handing over of completed schemes to TMAs/local government along with 2% operating cost of Rs 53.576 million. (Annexure-Q)

Audit pointed out the irregularity during November 2017 & October 2018. The department replied in some cases that non-duplication certificates were obtained and the schemes will be handed over after completion.

The department did not produce non-duplication certificates and evidence of transfer of maintenance funds to the auditors except CCD Abbottabad which verified 29 handing/taking over certificates out of 251 schemes.

Audit recommends compliance to condition given in Admin Approval besides fixation of responsibility against those who executed schemes without obtaining non-duplication certificates.

#### **1.2.29 Non-implementation of Cabinet Division Guidelines for SDG's**

As per Administrative Approvals of the development schemes of Prime Minister Global Sustainable Development Goals (SDGs) Achievement Program (2017-18), Pak. PWD was obligated to adhere to the following guidelines/instructions before award of work and at all stages:

- i. Technical Sanction of the estimate will be based on detailed X-Sections & L-Sections.
- ii. Mutation of land (free of cost) in the name of government before construction of building / new road/extension of road or any project.
- iii. PAK PWD is advised to make photograph & visual / video of existing condition of all sites for record before award and after completion of work.
- iv. Out of 3% contingencies 2% be kept for transfer to Provincial line department for maintenance.
- v. On completion third party evaluation will be conducted.



As per approval of the Cabinet Division regarding P.M Global SDGs achievement programme the schemes shall be executed subject to:

1. Operations and Maintenance Certificates will be obtained from quarter concerned before award of works.
2. Mutation of Land (Free of Cost) in the Name of Government before Construction of Building/New Road/Extension of road or any Project.
3. Out of 3% contingencies 2% be kept for transfer to Provincial line department for maintenance. 0.1% contingency out of balance 1% contingency be kept for Monitoring & Evaluation Cell of Ministry of Housing & Works.
4. On completion 3<sup>rd</sup> party evaluation will be conducted.

Audit observed that various Divisions of Pak. PWD (Annexure-R) while executing schemes under Prime Minister's Global SDGs Achievement Programme for the year 2017-18 did not comply with the codal requirements as detailed below:

- i. Technical Sanctioned of the estimate was accorded without detailed X-Sections & L-Sections.
- ii. Works awarded without mutation of land (free of cost) in the name of government before construction of building / new road/extension of road or any project.
- iii. Works have been completed and payments were made to contractors for work done. Handing over of completed schemes to TMA is yet to be made, however, operating cost of Rs 7.216 million (Rs 360.8 million x 2%) has been transferred.

- iv. Works have been completed and payments were made to contractors for work done whereas no record regarding third party validation is available.
- v. Approval of the Prime Minister for the projects over and above Rs 30 million was not obtained in certain cases.
- vi. PC-IV (work completion report) was not prepared.
- vii. Integrity pact was not obtained.
- viii. Registration with PEC not got obtained/revalidated

Audit pointed out the irregularities in July-October, 2018. The Department, in most of the cases, did not reply.

Audit recommends that justification be provided for non-compliance of Cabinet Division instructions.

**CHAPTER 2**  
**MINISTRY OF ENERGY**  
**POWER DIVISION**  
**(DISTRIBUTION COMPANIES)**

**2.1 INTRODUCTION**

The Directorate General of Audit (Power) conducted Special Audit of Prime Minister’s Global Sustainable Development Goals Achievement Programme executed by Distribution Companies under Power Division.

Execution status of the programme by Distribution Companies is placed below:

**(Rs in million)**

<b>Financial Year</b>	<b>Total No. of Schemes approved</b>	<b>Total No. of Schemes executed</b>	<b>Actual Release of Funds</b>	<b>Total Expenditure</b>
2016-17	6,909	6,895	6,239.39	5,552.59
2017-18	9,785	8,589	7,506.75	5,801.16
<b>Total</b>	<b>16,694</b>	<b>15,484</b>	<b>13,746.14</b>	<b>11,353.75</b>

**2.2 AUDIT FINDINGS AND RECOMMENDATIONS**

**Non-Production of Record**

**2.2.1 Non-provision of record relating to SDGs Schemes - Rs 1,184.379 million**

According to Para-4.5 (Section-9) of Distribution stores Manual, “the Line Superintendent will use the materials on the job for which he drew and will record the consumption in his Electrical Measurement Book (EMB)/ Material Consumption Register (MCR) showing any materials left after the work has been completed”.

In DISCOs, expenditure of Rs 1,184.379 million was incurred on village electrification schemes executed under Prime Minister’s Global Sustainable Development Goals Achievement Programme. But the relevant cost allocation sheets/Job cards, Store Requisition, Measurement Books, Stock Account and computer statement were not produced for assessing the accountal/ consumption of expenditures, as detailed below:

S. No.	Subject of the Para	Formation	Para No. of IR	Amount of the Para (Rs in million)
1	Non-Provision of Record Relating to SDGs Schemes	LESCO	1.1	102.903
2	Non-accountal of material drawn for SDGs work NA-36 Mohmand Agency	TESCO	10	16.716
3	Non-accountal / non-consumption of electrical material	IESCO	4.39	1,064.76
<b>Total</b>				<b>1,184.379</b>

Non-adherence to the instructions on the subject resulted in non-provision of record of expenditures of Rs 1,184.379 million up to the financial years 2016-18.

The matter was taken up with the management in November 2018. The management of LESCO replied that the record could not be produced during the course of audit due to malfunctioning of ERP System and same would be produced shortly. The management of TESCO replied that material drawn was properly accounted for against the works executed.

The DAC in its meeting held on 13<sup>th</sup> & 14<sup>th</sup> March, 2019 directed the management to produce record for audit scrutiny upto 20.03.2019. Further, progress was not reported till finalization of the report.

Audit recommends that the management needs to expedite production of record.

## **Fraud / Mis-appropriations**

### **2.2.2 Mis-appropriation of material - Rs 0.558 million**

As per Accounting Manual, A-90 form (Completion Report) is prepared by the Deputy Manager Construction and certified by the Consultants is forwarded to Project Director Construction for capitalization.

In GEPCO, Rs 0.558 million against 32 completed works were capitalized excess than actually certified by the consultants. In completion report of works, less material, labor and overhead charges were certified by consultant, but the formation capitalized excess amount than A-90s. This leads to the apprehension that the material might be misappropriated due to which excess capitalization of material was made than the certified work.

Non-adherence to provision of Accounting Manual resulted into mis-appropriation of material valuing Rs 0.558 million during the period 2016-18.

The matter was taken up with the management in October, 2018. The management replied that the consultant recorded the amount before the adjustment of shortage/surplus, whereas the amount was capitalized as per completion report. Any further adjustment on verification would be adjusted and informed to Audit accordingly.

The DAC in its meeting held on 13<sup>th</sup> & 14<sup>th</sup> March, 2019 directed the management to get the reconciliation with Barqaab verified by Audit within seven (07) days. Further, progress was not reported till finalization of the report.

Audit recommends that the management needs to comply with the DAC directive.

### **2.2.3 Loss due to theft of electrical material - Rs 0.52 million**

According to Section-III (I) of WAPDA guidelines for Enforcing Responsibility for Losses due to Fraud, theft or negligence of individuals, 1982 all losses whether of public money or of store, shall be subject to preliminary investigation by the officer in whose charge they were, to fix the cause of the loss and the amount involved.

In IESCO, material valuing Rs 0.52 million was stolen by the culprits in respect of scheme namely “Dhoke KALAL” Islamabad Division. Thereafter, neither FIR was lodged with the concerned Police Stations nor administrative inquiry /action was initiated to fix the responsibility.

Non-implementation of rules for safeguarding the assets resulted in loss of Rs 0.52 million due to theft of electrical material during the financial years 2016-18.

The matter was taken up with the management in October, 2018. It was replied that the material of work for Dhoke Kalal has been drawn and shifted at site for further utilization but due to dispute among villages the material could not be installed. However, the other material is available at camp and disputed HT structures are lying at site. As and when the right of way / dispute amongst the villagers is resolved, the work will be completed and audit will be informed accordingly.

The DAC in its meeting held on 13<sup>th</sup> & 14<sup>th</sup> March, 2019 directed the management to get the record pertaining to accountal of material verified by Audit upto 20.03.2019. Further, progress was not reported till finalization of the report.

Audit recommends that the management needs to comply with the DAC directive.

## **Irregularity and Non-Compliance**

### **2.2.4 Non-opening of separate Bank Accounts and non-maintenance of separate Books of Accounts - Rs 13,313.90 million**

According to Para-8 of guidelines of the Cabinet Division Islamabad issued vide notification dated October 10, 2016 for implementation of the Prime Minister's Global Sustainable Development Goals (SDGs) Achievement Programme, "Distribution Companies (DISCO) were required to maintain separate books of accounts for the funds of this programme the in order to ensure transparency and accountability.

In DISCOs, Rs 13,313.90 million (Annexure-A) were released by GoP for execution of electrification schemes and rehabilitation of electricity distribution infrastructure under Prime Minister Sustainable Development Goals Achievement Programme. For these funds neither separate bank accounts were opened nor separate books of accounts maintained by the DISCOs. This shows transparency and accountability was lacking in the utilization of funds at the stage of procurement of the material and subsequent accountal/ consumption.

Non-adherence to guidelines of the Cabinet Division created ambiguity in accountal/ utilization of SDGs funds Rs 13,313.90 million during the financial year 2016-17 & 2017-18.

The matter was reported to the management in November 2018. The management of FESCO replied that separate bank account was maintained. The replies furnished by the management of LESCO, HESCO, IESCO, TESCO and QESCO were irrelevant. No reply was furnished by the management of MEPCO, SEPCO and PESCO.

The DAC in its meeting held on 13<sup>th</sup> & 14<sup>th</sup> March, 2019 did not agree with the stance of management and directed the management to:

- i) Establish/maintain a designated bank account specially for PM's SDGs programme.
- ii) All funds available with each DISCO would immediately be transferred into the PM SDGs Bank Account.
- iii) Separate Books of Accounts shall be maintained by each DISCO for PM SDG programme.

Separate books of accounts & bank reconciliation of PM SDGs funds to be verified by Audit on priority. Further, progress was not reported till finalization of the report.

Audit recommends that the management needs to comply with the DAC directive.

#### **2.2.5 Irregular charging of administrative overheads on village electrification schemes against Prime Minister's SDGs - Rs 1,740.087 million**

According to Para-15 of instructions relating to Prime Minister's Global Sustainable Development Goals (SDGs) Achievement Program issued by the Cabinet Division dated October 10, 2016, "expenditure shall not be incurred on purchase of equipment, vehicles, fixtures, salaries, printing of diaries / calendars / banners, holding of official meetings and dinners / parties etc. Similarly, no administrative overheads shall be charged by any agency for execution of the SDGs schemes".

In DISCOs, a sum of Rs 1,740.087 million on account of administrative overheads was included in estimates of village electrification schemes executed under Prime Minister Sustainable Development Goals Achievement Programme in contradiction to guidelines of the Cabinet Division.

Non-adherence to Cabinet Division's instructions resulted in unjustified charging of Rs 1,740.087 million as administrative overheads during the financial years 2016-18 (Annexure-B).



The matter was taken up with the management in November, 2018. It was replied by the management that overheads were charged in estimates of electrification schemes as per SoP and engagement of consultants was essential to maintain the better control and preparation of completion report. The management of LESCO further replied that extra charges of 12% store charges in ERP booking system were due to default programming.

The DAC in its meeting held on 13<sup>th</sup> & 14<sup>th</sup> March, 2019 did not agree with the stance of management and directed the management to refer the matter to Cabinet Division for clarification. Further, progress was awaited till finalization of the report.

Audit recommends that the management needs to comply with the DAC directive.

#### **2.2.6 Irregular execution of electrification schemes without technical & financial review and vetting of estimates by the Consultant - Rs 1,488.154 million**

According to Article No.2 Clause-2.1 of contract for Engineering Consultancy Services for Rural Electrification Project, “the Consultant was bound for technical and financial review and vetting of estimates prepared by the client.”

In DISCOs, 1,374 village electrification schemes costing Rs 1,488.154 million executed under Prime Minister’s Global Sustainable Development Goals Achievement Programme were not technically and financially reviewed and were executed without vetting of estimates/completion certificates by the Consultant. In the absence of review/ vetting of the consultant, the authenticity and genuineness of schemes could not be ascertained.

S. No.	Subject of the Para	Name of Formation	Para No. of IR	No. of Schemes	Amount of the para (Rs in million)
1	Non certification of completed schemes by the Consultant	IESCO	4.6	857	1,064.97
2	Irregular execution of electrification schemes due to non-vetting of estimates and without technical & financial review by the consultant	LESCO	4.1	209	168.469
3	Irregular execution of electrification schemes due to non-vetting of estimates and without technical and financial review by the consultant	MEPCO	21	116	75.061
4	Non certification/vetting of completed schemes by the consultants	QESCO	7.8	59	30.90
5	Non certification of completed schemes by the Consultant	SEPCO	14	133	148.754
<b>Total</b>				<b>1,374</b>	<b>1,488.154</b>

Violation of provisions of Consultancy Services Agreement resulted into irregular execution of SDGs schemes valuing Rs 1,488.154 million during the financial years 2016-18.

The matter was reported to the management in November 2018. It was replied by the management of MEPCO that during the specific period there was no contract agreement with the Consultants. The management of LESCO and IESCO replied that the reply would be furnished after consulting the record.

The DAC in its meeting held on 13<sup>th</sup> & 14<sup>th</sup> March, 2019 directed the management to get the record verified from Audit upto 20.03.2019. Further, progress was not reported till finalization of the report.

Audit recommends that the management needs to comply with the DAC directive.

### **2.2.7 Irregular approval of schemes without request by community for intervention - Rs 6,839.974 million**

According to Para-1, 2, 3, 4 & 9 of guidelines of the Cabinet Division Islamabad issued vide notification dated October 10, 2016 for implementation of the Prime Minister's Global Sustainable Development Goals (SDGs) Achievement Programme, "the schemes, being community based, will be recommended/ proposed by the community. At least 15 residents of an area or civil society organization will make a request for intervention which shall be forwarded to the concerned Divisional Commissioner or relevant executing agencies for processing.

In DISCOs, Rs 6,839.974 million under Prime Minister's Global Sustainable Development Goals (SDGs) Achievement Programme were released without getting request for intervention of community as applications or consent of the community for initiating the scheme(s) were not available in record. The schemes were initiated with the consent or on the recommendation of the concerned legislator and afterwards approved by the concerned Divisional Commissioner / executing agency. The documentary evidences depicting the genuineness of the residents in a particular area for assessing their requirement was not available with PC-I of the schemes.

<b>Sr. No.</b>	<b>Subject</b>	<b>Formation</b>	<b>Para No of IR</b>	<b>Amount of Para (Rs in million)</b>
1	Irregular utilization of funds due to non-fulfillment of requirements in Kurram Agency schemes	TESCO	11	49.96
2	Irregular expenditure due to non-fulfilling of Cabinet Division Directions	TESCO	12	151.556
3	Irregular approval of schemes without getting request for intervention of community	LESCO	2.1	457.43

<b>Sr. No.</b>	<b>Subject</b>	<b>Formation</b>	<b>Para No of IR</b>	<b>Amount of Para (Rs in million)</b>
4	Irregular approval of schemes without getting request for intervention of community	MEPCO	18	6,057.765
5	Irregular approval of unfeasible village electrification schemes	QESCO	7.7	32.57
6	Irregular approval of unfeasible village electrification schemes	HESCO	4.3.1	90.693
<b>Total</b>				<b>6,839.974</b>

Non-adherence to guidelines of the Cabinet Division resulted in irregular approval of schemes valuing Rs 6,839.974 million due to non-authentication of genuineness of community intervention during the financial years 2016-18.

The matter was taken up with the management in November 2018. The management of MEPCO and LESCO replied that all the relevant record is available in office of the Divisional Commissioner (s) concerned. The management of TESCO and QESCO replied that all the schemes were approved as per instruction by keeping in view the loading position of scattered population. The management of HESCO replied that the reply would be furnished after consulting the record.

The DAC in its meeting held on 13<sup>th</sup> & 14<sup>th</sup> March, 2019 directed the management to get the sample based record verified from Audit within two weeks. Further, progress was not reported till finalization of the report.

Audit recommends that the management needs to comply with the DAC directive.

## 2.2.8 Non-surrender of savings to GoP - Rs 1,785.932 million

According to Para-14 & 16 of guidelines of the Cabinet Division Islamabad issued vide notification dated October 10, 2016 read with subsequent amendment dated September, 11, 2017 for implementation of the Prime Minister's Global Sustainable Development Goals (SDGs) Achievement Programme, "savings of the scheme would be used in the area from where the savings accrued. Moreover, the decision with regard to savings shall be taken by the Steering Committee.

In DISCOs, Rs 1,785.932 million were saved out of execution of village electrification schemes under Prime Minister's Global Sustainable Development Goals (SDGs) Achievement Programme. The savings of the schemes were not intimated to the Steering Committee for taking necessary decision as per Cabinet Division guidelines. Hence the same were required to be surrendered in favour of GoP but the same was not done.

Sr. No.	Subject of the IR Para	Formation	Para No. of IR	Amount of the Para (Rs in million)
1	Non- surrendering of funds saved out of completed schemes	FESCO	4.11	672.244
2	Non-surrendering of savings to the government of Pakistan	GEPCO	9.2.1	32.901
3	Non-surrendering of savings to the government of Pakistan	HESCO	27.678	4.1.10
4	Non - surrendering of savings / unspent balance against completed schemes	LESCO	2.6	62.567
5	Non-surrendering of savings against completed SDGs schemes	MEPCO	22	173.581
6	Non- surrendering of funds saved out of completed schemes	PESCO	4.2	370.97
7	Non-surrendering of savings to the government of Pakistan	SEPCO	2	24.344
8	Non-surrendering of funds saved out of completed works	TESCO	6	10.945
9	Non- remittance of saving and its interest of completed schemes	QESCO	7.6	11.29
10	Non- return of saving against completed schemes to Govt. of Pakistan	IESCO	4.2	422.89
<b>Total</b>				<b>1,785.932</b>

Non-adherence to the guidelines of Cabinet Division resulted in non-surrendering of saved/ unspent funds to GoP amounting Rs 1,785.932 million during the financial years 2016-18.

The matter was reported to the management in November, 2018. The management of LESCO, PESCO, TESCO, QESCO, IESCO and MEPCO replied that on completion of project savings, if any, will be surrendered. The management of FESCO, SEPCO and HESCO replied that saving would be refunded on the approval of the Competent Authority i.e. Project Director Construction. The management of GEPCO replied that the matter would be investigated and informed to audit accordingly.

The DAC in its meeting held on 13<sup>th</sup> & 14<sup>th</sup> March, 2019 did not agree with the contention of management and gave the following directives:

- i. DISCOs would work out the savings against all completed schemes and surrender the surplus amount available with them.
- ii. DISCOs would provide the progress of work scheme wise for each running scheme.
- iii. DISCOs would highlight all schemes not initiated, along with justification.

Moreover, DAC decided that Ministry would finalize the modalities of surrendering the saving to GoP in a week. The surplus funds surrender to GoP and scheme wise details as illustrated above would be got verified from Audit in forty days. Further, progress was not reported till finalization of the report.

Audit recommends that the management needs to comply with the DAC directive.

### 2.2.9 Excess drawl of funds due to overcharging of material rates in estimates - Rs 341.956 million

Material Management Directorate of DISCOs circulated price bulletin of material for preparing estimates of works for technical sanction.

In DISCOs, Rs 341.956 million was excess provided in estimates of village electrification schemes on account of cost of material executed under schemes under Prime Minister's Global Sustainable Development Goals (SDGs) Achievement Programme. While preparing estimates, higher rates of material in excess of procurement rates / rates notified by the Material Management Directorate were included by the field formations. Resultantly, an excess amount of Rs 341.956 million was released to DISCOs by the sponsoring agency.

Sr. No.	Subject of the IR Para	Formation	Para No. of IR	Amount of Para (Rs in million)
1	Over estimation of cost of 25 KVA, 50 KVA, 100 KVA AND 200 KVA distribution transformers	FESCO	4.17	210.93
2	Over estimation of cost of 25 KVA, 50 KVA AND 100 KVA distribution transformers	PESCO	4.14	88.469
3	Irregular claim due to charging higher rates of transformers in BOQs	TESCO	9	4.443
4	Excess drawl of SDGs funds due to overcharging of material rates in sanctioned estimates	LESCO	2.8	16.323
5	Extra charging of cost of material in the cost estimates of different scheme	GEPCO	9.2.6	1.599
6	Unjustified excess charging of material rates under village electrification schemes	SEPCO	04	17.832
7	Excess charging of transformer cost in estimates approved by consultant	QESCO	7.12	2.36
<b>Total</b>				<b>341.956</b>

Non-charging of rates of material based on price bulletin of Material Management / procurement rates resulted in exaggerated estimation leading

to excess drawl of SDGs funds amounting Rs 341.956 million during the financial years 2016-18.

The matter was reported to the management in November 2018. The management of LESCO replied that material cost taken in estimates was as per prevailing rates. The management of TESCO replied that rates provided by the Material Management Directorate were based on the last financial year procurement and the estimates were sanctioned slightly above of the previous year by keeping in view the increase in dollar rates / store rates. The management of PESCO replied that rates of material were quoted in the PC-I on rough cost/ average basis estimates and overhead charges at the rate of 20% were incorporated thereon. The management of GEPCO replied that estimates were prepared according to prevailing rate bulletin and final accounts would be finalized at the actual cost and savings are returned accordingly. The management of SEPCO replied that detailed reply will be submitted after consulting the record. The management of QESCO replied that rates of transformers were increased due to difference in distance and area. No reply was furnished by the management of FESCO.

The DAC in its meeting held on 13& 14th March, 2019 directed the management to get the record verified on sample basis by Audit within thirty days. Further, progress was awaited till finalization of the report.

Audit recommends that the management needs to comply with the DAC directive.

#### **2.2.10 Irregular excess expenditure over and above the allocated funds - Rs 54.17 million**

According to Para-13 of guidelines of the Cabinet Division Islamabad issued vide notification dated October 10, 2016 for implementation of the Prime Minister's Global Sustainable Development Goals (SDGs) Achievement Programme, "schemes identified for a specified financial year shall be completed within the same year. No cost overrun will be admissible and there shall be no cushion available to meet



any extra cost on any account. Additional funding/throw forward will not permissible”.

In DISCOs, expenditure of Rs 54.17 million was incurred in excess of funds received / allocated under Prime Minister’s Global Sustainable Development Goals (SDGs) Achievement Programme as detailed below:

S. No.	Subject	Formation	Para No. of IR	Amount of Para (Rs in million)
1	Loss due to excess expenditure over and above allocated funds	GEPCO	9.2.3	1.742
2	Excess expenditure over and above allocated funds	LESCO	2.7	9.315
3	Loss due to excess expenditure over and above allocated funds	SEPCO	9	2.816
4	Irregular expenditure	IESCO	4.45	40.297
<b>Total</b>				<b>54.17</b>

Non-adherence to guidelines of the Cabinet Division resulted in excess expenditure amounting Rs 54.17 million over and above the allocated funds during the financial year 2017-18.

The matter was taken up with the management in November, 2018. The management of GEPCO replied that the matter will be investigated if any expenditure found excess. The same will be regularized under intimation to audit. The management of SEPCO replied that the detailed reply will be submitted to audit after scrutiny of record. The management of LESCO replied that excess expenditure was due to default programming in ERP system as 12% store charges were being booked in excess. Matter will be referred to high ups for attending the default defect of ERP system. No reply was furnished by the management of IESCO.

The DAC in its meeting held on 13<sup>th</sup> & 14<sup>th</sup> March, 2019 directed the management to get clarification regarding limitation of the execution

agency in this regard from the Cabinet Division. Further, progress was waited till finalization of the report.

Audit recommends that the management needs to comply with the DAC directive.

#### **2.2.11 Misuse of SDGs funds due to procurement of material beyond the requirement - Rs 1,122.784 million**

There was no provision / less provision of certain electrical material in the estimates of village electrification schemes to be executed under Prime Minister Sustainable Development Goals (SDGs) Achievement Programme.

In DISCOs, certain material i.e. transformers (25 KVA, 50 KVA, 100 KVA, 200 KVA, 630 KVA), trolley transformer and WASP Conductor valuing Rs 1,122.784 million (Annexure-C) was procured out of SDGs funds beyond the requirement of village electrification schemes. The material procured was either in excess of requirement or not specified in the estimates of the village electrification schemes to be executed under Prime Minister Sustainable Development Goals (SDGs) Achievement Programme. This depicted that material required for other works was procured out of SDGs funds which put a question mark on the rational use of SDGs funds.

The procurement of material not meant for SDGs schemes, out of SDGs funds, resulted in misuse of SDGs funds amounting Rs 1,122.784 million during the financial years 2016-18.

The matter was reported to the management during November, 2018. The management of MEPCO replied that material has been procured against specific demand under SDGs programme received from Manager Construction after obtaining approval of the competent authority. The management of IESCO replied that trolley transformer was procured out of SDGs funds for maintenance. However, no reply was furnished by the management of FESCO.

The DAC in its meeting held on 13<sup>th</sup> & 14<sup>th</sup> March, 2019 did not agree with the stance of the management and directed the management to furnish revised reply depicting proper justification within 15 days. Further, progress was awaited till finalization of the report.

Audit recommends that the management needs to comply with the DAC directive.

**2.2.12 Misuse of SDGs funds due to provision of expenses on signboards, inauguration, miscellaneous and connection charges in estimates - Rs 36.053 million**

According to Para-13 of guidelines of the Cabinet Division Islamabad issued vide notification dated October 10, 2016 for implementation of the Prime Minister’s Global Sustainable Development Goals (SDGs) Achievement Programme, “there shall be no cushion available to meet any extra cost on any account.”

In DISCOs, Rs 36.053 million was included in the cost estimates of village electrification schemes executed under Prime Minister’s Global Sustainable Development Goals (SDGs) Achievement Programme on account of cost of signboards, inauguration, miscellaneous and connection charges. The provision of said charges in the cost estimates was in contradiction to guidelines of the Cabinet Division.

Sr. No.	Subject	Name of Formation	Para No. of IR	Amount of Para (Rs in million)
1	Misuse of funds provided for schemes of village electrification on affixing signboards	HESCO	4.1.5	2.825
2	Misuse of public funds due to provision of cost of connection charges under PMSDG’s	HESCO	4.1.11	8.088
3	Misuse of public funds due to provision of cost of connection charges under PMSDG’s	SEPCO	13	5.96

Sr. No.	Subject	Name of Formation	Para No. of IR	Amount of Para (Rs in million)
4	Irregular expenditure on account of inauguration/meeting	PESCO	4.12	15.64
5	Irregular payment of miscellaneous charges	IESCO	4.12	3.54
<b>Total</b>				<b>36.053</b>

Non-adherence to Cabinet Divisions' instructions resulted in misuse of village electrification funds of Rs 36.053 million up to the financial year 2017-18.

The matter was taken up with the management in November, 2018. The management of HESCO replied that cost of signboards and connection charges were included as per SOP and approved PC-I. The management of SEPCO replied that the connection charges were included in the interest of the general public and to save the company from theft of electricity. The management of PESCO replied that no expenditure was incurred on account of inauguration / meeting. The management of IESCO replied that miscellaneous charges were included in the PC-I of the schemes to cover the variation in material at the time of execution/completion

The DAC in its meeting held on 13<sup>th</sup> & 14<sup>th</sup> March, 2019 did not agree with the stance of the management and directed the management to:

- i. Surrender savings made in the subject schemes
- ii. Expedite recovery in case of para 4.1.5 referred in the subject audit para
- iii. Submit revised reply in other cases

The above actions were to be got verified from Audit. Further, progress was not reported till finalization of the report.

Audit recommends that the management needs to comply with the DAC directive.

**2.2.13 Unjustified inclusion of grid station charges in estimates - Rs 56.336 million**

According to Para-13 of guidelines of the Cabinet Division Islamabad issued vide notification dated October 10, 2016 for implementation of the Prime Minister’s Global Sustainable Development Goals (SDGs) Achievement Programme, “there shall be no cushion available to meet any extra cost on any account.”

In DISCOs, grid station charges amounting to Rs 56.336 million were included in the cost estimates of 325 No. electrification schemes executed under Prime Minister’s Global Sustainable Development Goals (SDGs) Achievement Programme. The provision of said cost was in contradiction to guidelines of the Cabinet Division.

<b>S. No.</b>	<b>Name of Formation</b>	<b>Para No. of IR</b>	<b>No. of Schemes</b>	<b>Amount of Para (Rs in million)</b>
1	HESCO	4.1.4	145	35.206
2	SEPCO	11	180	21.13
	<b>Total</b>		<b>325</b>	<b>56.336</b>

Non-adherence to Cabinet Divisions’ instructions resulted in unjustified inclusion of grid station charges amounting to **Rs 16.873** million up to the financial year 2017-18.

The matter was taken up with the management in November, 2018. The management of HESCO replied that grid sharing cost is included as per SOP and NEPRA direction. The management of SEPCO replied that the grid station cost / system up-gradation charges were being charged as per directions of the competent Authority.

The DAC in its meeting held on 13<sup>th</sup> & 14<sup>th</sup> March, 2019 did not agree with the stance of the management and directed the management to investigate the matter besides surrendering the excess drawn amount in favour of GoP immediately and provide relevant record for verification by Audit. Further, progress was awaited till finalization of the report.

Audit recommends that the management needs to comply with the DAC directive.

#### **2.2.14 Unjustified inclusion of overheads in estimates on account of transportation & installation of PCC poles - Rs 153.144 million**

According to the scope of works stated in the work orders issued to various contractors, “the contractors were responsible for collection of PCC/ Spun Poles from designated pole plants, safe handling, transportation and erection at site.”

In DISCOs, 12% storage charges & 8% labour / installation charges on cost of PCC Poles were included in the cost estimates of village electrification schemes under Prime Minister’s Global Sustainable Development Goals (SDGs) Achievement Programme. The charging of such charges on cost of PCC Poles was not justified as the contractors were responsible for carriage of PCC Poles from PC Pole Plants to sites and subsequent erection/ installation. Resultantly exaggerated estimates were prepared and extra funds to the tune of Rs 153.144 million were got released from GoP.

<b>Sr. No.</b>	<b>Formation</b>	<b>Para No. of IR</b>	<b>Amount of IR Para (Rs in million)</b>
1	LESCO	2.9	6.103
2	MEPCO	2	147.041
	<b>Total</b>		<b>153.144</b>

Non-adherence to the scope of work orders resulted into unjustified inclusion of storage charges and labour charges in estimates amounting Rs 153.144 million on cost of PCC Poles transported and installed by the contractors during financial years 2016-18.

The matter was reported to the management in October 2018. The management of LESCO replied that matter would be reconciled with Finance Director/ Information Technology Directorate for submission of proper reply. The management of MEPCO replied that PCC poles lying at pole plant was on MEPCO stock hence 12% store charges were justified.

The DAC in its meeting held on 13<sup>th</sup> & 14<sup>th</sup> March, 2019 directed the management to get the record verified by Audit. Further, progress was awaited till finalization of the report.

Audit recommends that the management needs to comply with the DAC directive.

#### **2.2.15 Irregular procurement of material at rates reduced after opening of bids - Rs 3,000.536 million**

According to Rule-31 (1) of Public Procurement Rules-2004, “No bidder shall be allowed to alter or modify his bid after the bids have been opened. However, the procuring agency may seek and accept clarifications to the bid that do not change the substance of the bid”. Further, according to PPRA’s office memo No. F.3(12)/DD-II/PPRA/2010 dated July 23, 2010, price matching is a form of negotiation which is prohibited under Rule-40 of the Public Procurement Rules, 2004.

In DISCOs, electrical material amounting to Rs 3,000.536 million (Annexure-D) was procured from different contractors at post bid reduced rates. The bidder / (s) participated in tendering reduced quoted rates after opening of bids in order to match prices of lowest bidder/ estimated cost. The procurement was irregular as post bid reduction and price matching was not allowed under PPRA’s Rules 2004. The reduction of bid price by bidder / (s) had proved that bid price was high for which procuring agency had no price estimation.

The violation of PPRA's Rules 2004 resulted in irregular procurement of material at post bid reduced rates valuing Rs 3,000.536 million during the financial years 2016-18.

The matter was taken up with the management in November, 2018. The management of FESCO replied that the discounted rate offered was accepted in accordance with PPRA online queries. The management of IESCO, HESCO & PESCO replied that lowest firm offers on its own to reduce the rates on one pretext or other.

The DAC in its meeting held on 13<sup>th</sup> & 14<sup>th</sup> March, 2019 did not agree with the stance of the management and decided to seek clarification from PPRA. Audit would move the case.

The matter would be referred to PPRA for requisite clarification.

#### **2.2.16 Irregular procurement of material without detailed technical and financial evaluation - Rs 476.614 million**

According to PPRA's query No. 316 dated 09.12.2013 if two or more bidders quote same rate against an item then rebidding was advised in such cases.

In DISCOs, material valuing Rs 476.614 million was procured through purchase orders during the Financial Year 2016-18 from the contractors. Participating bidders quoted same rates in their respective bids and purchase orders were awarded to all participating bidders without detailed technical and financial evaluation. Audit was of the view that rates were quoted by the bidders after collusion of contractors who quoted same prices. The purchase orders were issued to suppliers in non-transparent manners which was violation of the PPRA Rules. Moreover, rate was quoted in collaboration with the bidders and it was cartel among the bidders.



<b>Sr. No.</b>	<b>Formation</b>	<b>Para No. of IR</b>	<b>Amount of IR Para (Rs In million)</b>
1	PESCO	4.18	103.196
2	PESCO	4.21	93.288
3	QESCO	7.14	280.13
	<b>Total</b>		<b>476.614</b>

Non-adherence to PPRA Rules resulted in irregular procurement of material for Rs 476.614 million up to the financial year 2017-18.

The matter was taken up with the management in November, 2018. The management of PESCO replied that the rates were evaluated with comparison of market rates / DISCO's rates. The management of QESCO replied that both bidders quoted the same rates for full quantity which was divided among the both bidders.

The DAC in its meeting held on 13<sup>th</sup> & 14<sup>th</sup> March, 2019 directed the management to get the record verified from Audit. Further, progress was awaited till finalization of the report.

Audit recommends that the management needs to comply with the DAC directive.

#### **2.2.17 Un-authorized deletion of schemes after release of funds - Rs 14.351 million**

According to guidelines of the Cabinet Division Islamabad issued vide notification dated October 10, 2016 for implementation of the Prime Minister's Global Sustainable Development Goals (SDGs) Achievement Programme, "the Programme was approved for provisioning of development opportunities in deficient areas by direct targeted intervention and being community based schemes, the community was required to recommend/propose schemes. As per Para-4 & 9 of the said guidelines, " the competent forum while approving the proposal would certify that the schemes (s) is/are feasible, in public interest and no other agency has undertaken or is

undertaking the same scheme in the area. Further since the schemes are community based, there shall be no substitution/ addition/ deletion of schemes once funds are released.”

In DISCOs, 36 electrification schemes costing Rs 14.351 million were deleted after release of funds in violation of Cabinet Division Islamabad directions. The deletions were made on the request of MNA and due to administrative approval for lesser funds as compared to the technical sanction of the scheme. The scenario led to the conclusion that intervention of the peoples were not sort and the feasibility of the schemes (PC-II) were not prepared with due diligence.

S. No.	Subject of Para of IR	Formation	Para No. of IR	No. of schemes	Amount of Para (Rs in million)
1	Un-authorized deletion of village electrification	GEPCO	9.2.4	06	3.31
2	Deletion of works from schemes after release of funds	TESCO	8	05	2.936
3	Irregular cancellation/ deletion and substitution of SDGs schemes	MEPCO	19	25	8.105
<b>Total</b>				<b>36</b>	<b>14.351</b>

Non-adherence to guidelines of the Cabinet Division resulted in un-authorized deletion of village electrification schemes costing Rs 14.351 million during the period 2016-18.

The matter was reported to the management in November, 2018. The management of GEPCO replied that the funds were transferred by Commissioner Gujranwala before actual site verification of identified schemes. Later on the schemes became unfeasible (Not vetted) for which the funds became surplus. The management of TESCO replied that funds were transferred after approval of the competent forum. The management of

MEPCO replied that matter relates to office of the Divisional Commissioner.

The DAC in its meeting held on 13<sup>th</sup> & 14<sup>th</sup> March, 2019 directed the DISCOs management to provide revised reply with justification for deletion of such schemes, non-receipt of funds if any, moreover funds drawn against deleted / duplicated schemes were to be surrendered and record to be got verified by Audit. Further, progress was not reported till finalization of the report.

Audit recommends that the management needs to comply with the DAC directive.

### **2.2.18 Irregular release of funds against schemes initiated without Proposal/ Consent of Community - Rs 34.113 million**

According to guidelines of the Cabinet Division Islamabad issued vide notification dated October 10, 2016 for implementation of the Prime Minister’s Global Sustainable Development Goals (SDGs) Achievement Programme, “the Programme was approved for provision of development opportunities in deficient areas by direct targeted intervention and being community based schemes, the community was required to recommend/ propose schemes.”

In DISCOs, 38 village electrification schemes costing Rs 34.113 million were not completed till October, 2018 due to public hindrance/ disputes. The scenario led to the apprehension that these schemes were undertaken without the consent of community and feasibility of the schemes was not assessed correctly.

<b>Sr. No.</b>	<b>Name of formation</b>	<b>AIR Para No.</b>	<b>No. of Schemes</b>	<b>Amount of Para (Rs in million)</b>
1	MEPCO	20	37	32.838
2	HESCO	4.3.3	01	1.275
	<b>Total</b>		<b>38</b>	<b>34.113</b>

Violation of the guidelines of Cabinet Division resulted into irregular release of funds without proposal/ consent from the community amounting Rs 34.113 million during the financial years 2016-18.

The matter was reported to the management during November, 2018. The management of MEPCO replied that matter relates to the office of Divisional Commissioner as all the funds were released by the said office. The management of HESCO replied that village / scheme was approved with the concerned villagers and included in PC-I.

The DAC in its meeting held on 13<sup>th</sup> & 14<sup>th</sup> March, 2019 directed the management to clarify its stance and produce record for verification by Audit. Further, progress was awaited till finalization of the report.

Audit recommends that the management needs to comply with the DAC directive.

#### **2.2.19 Irregular release of SDG's funds for electrification through Divisional Commissioner - Rs 6,515.195 million**

According to Para-8 of guidelines of the Cabinet Division Islamabad issued vide notification dated October 10, 2016 for implementation of the Prime Minister's Global Sustainable Development Goals (SDGs) Achievement Programme, "based on amount approved by the competent authority, funding for the scheme(s) executed through Federal Agencies, shall be made to the respective PAO in the form of surrender order for obtaining funds through Technical Supplementary Grant. PAO of Ministries of Water & Power and Petroleum & Natural Resources would transfer funds to the accounts of the DISCOs and Gas Companies".

In DISCOs, funds Rs 6,515.195 million under Prime Minister Sustainable Development Goals Achievement Program were released through special drawing account of the respective Divisional Commissioner office. These funds were primarily disbursed to Provincial Government through AGPR by issuing sanction letter duly endorsed by FA's

Organization. Such transfer of funds was not in line with the principle as laid down in notification of the Cabinet Division as funds were required to be transferred by the Principal Accounting Officer Ministry of Water & Power to DISCOs.

<b>Sr. No.</b>	<b>Name of formation</b>	<b>AIR Para No.</b>	<b>Amount of Para (Rs in million)</b>
1	LESCO	2.2	457.43
2	MEPCO	17	6,057.765
	<b>Total</b>		<b>6,515.195</b>

The matter was reported to the management in November, 2018. The management of LESCO replied that funds were transferred to the Project Director Construction as per prevailing mechanism. The management of MEPCO replied that matter relates to the office Divisional Commissioner.

The DAC in its meeting held on 13<sup>th</sup> & 14<sup>th</sup> March, 2019 did not agree the management stance and decided to place the matter before PAC for appropriate decision.

The PAC may like to issue necessary directions on the issue.

#### **2.2.20 Irregular drawl of funds in excess of Technical Sanction - Rs 306.938 million**

According to guidelines issued through Notification of Cabinet Division Islamabad dated October 10, 2016 for implementation of the Prime Minister's Global Sustainable Development Goals (SDGs) Achievement Programme, schemes identified for a specified financial year shall be completed within the same year. No cost overrun will be admissible and there shall be no cushion available to meet any extra cost on any account. Additional funding/throw forward will not be permissible.

In DISCOs, funds Rs 306.938 million were drawn in excess of the technical sanction against various village electrification schemes. The release of funds in excess from the Technical Sanction was irregular as it

was specifically mentioned in the guidelines of Cabinet Division issued under Prime Minister's Global Sustainable Development Goals (SDGs) Achievement Programme that no cost overrun will be admissible and there shall be no cushion available to meet any extra cost on any account. Additional funding / throw forward will not be permissible. In the light of these instructions/guidelines of Cabinet Division, funds were to be released in accordance with the provision of Technical Sanction of the estimate of work. But the same was not done. The drawl of funds on the basis of administrative approval was not justified.

<b>Sr. No.</b>	<b>Subject</b>	<b>Name of formation</b>	<b>AIR Para No.</b>	<b>Amount of Para (Rs in million)</b>
1	Irregular expenditure due to drawl of fund in excess from the technical sanction	IESCO	4.3	109.04
2	Irregular drawl of funds in excess from the technical sanction	IESCO	4.25	155.834
3	Irregular expenditure	IESCO	4.26	35.334
4	Excess drawl of funds against village electrification schemes	QESCO	7.2	6.73
<b>Total</b>				<b>306.938</b>

The violation of guidelines of Cabinet Division had resulted in irregular expenditure of Rs 306.938 million.

The matter was taken up with the management in October & November, 2018. It was replied by the IESCO & QESCO management that if technical sanction involved excess of more than 15% over the amount for which a work has been administratively approval or may be deemed to have been approved prior revised administrative approval of the Competent Authority shall be required. IESCO management replied that funds were demanded on estimated cost while technical sanction was given after verification of site in detail and after receipt of funds.

The DAC in its meeting held on 13<sup>th</sup> & 14<sup>th</sup> March, 2019 did not agree with the stance of the management and directed the management to

furnish revised reply along with documentary evidence to Audit by 20.03.2019. Further, progress was awaited till finalization of the report.

Audit recommends that the management needs to comply with the DAC directive.

### **2.2.21 Irregular substitution of electrification scheme - Rs 2.439 million**

As per Note-09 of Notification by Cabinet Division in respect of Guidelines for implementation of the Prime Minister's global SDGs achievement program dated 10.10.2016, "since the schemes are community based, there shall be no substitution of schemes once funds are released".

In DISCOs, 03 village electrification schemes costing Rs 2.439 million was substituted with other schemes either on the request of MNA or without any reason and approval by the District Development Committee. The substitution of schemes was irregular as it was not allowed in the guidelines of Cabinet Division.

<b>Sr. No.</b>	<b>Subject</b>	<b>Name of formation</b>	<b>AIR Para No.</b>	<b>Amount of Para (Rs in million)</b>
1	Irregular expenditure	IESCO	4.30	0.767
2	Irregular transfer of funds from one village electrification scheme to other	GEPCO	9.4.5	0.572
3	Irregular expenditure due to substitute scheme	IESCO	4.21	1.10
<b>Total</b>				<b>2.439</b>

Non-adherence to the above rule resulted in irregular transfer of funds from one village electrification scheme to another.

The matter was taken up with the management in November, 2018. It was replied by IESCO management that in one case funds were fully exhausted while in other scheme was substituted with the approval of

Commissioner Rawalpindi. The management of GEPCO replied that after site verification the scheme was declared unfeasible by Consultant. The replacement was completed after admin approval from the competent authority.

The DAC in its meeting held on 13<sup>th</sup> & 14<sup>th</sup> March, 2019 was not satisfied by the management reply and directed to give proper justification regarding irregular substitution of electrification schemes within 15 days. Further, progress was waited till finalization of the report.

Audit recommends that the management needs to comply with the DAC directive.

### **2.2.22 Irregular expenditure incurred on account of shifting of HT/LT lines - Rs 7.84 million**

According to Cabinet Division Guidelines 1 (i) the community will recommend/ propose scheme (s) relating to Power Sector in the following areas:

- (a) Electrification Schemes
- (b) Rehabilitation of Electricity Distribution Infrastructure

In DISCOs, funds Rs 7.84 million were released on account of 12 schemes for shifting of HT/LT Lines. The expenditure of Rs 7.84 million was irregular as scope of shifting of HT/LT Line was not provided under guidelines issued for Prime Minister's Global Sustainable Development Goals (SDGs) Achievement Programme.

<b>Sr. No.</b>	<b>Subject</b>	<b>Name of formation</b>	<b>AIR Para No.</b>	<b>No. of Schemes</b>	<b>Amount of Para (Rs in million)</b>
1	Irregular expenditure incurred on account of shifting of 11 KVA line	FESCO	4.6	1	1.37



Sr. No.	Subject	Name of formation	AIR Para No.	No. of Schemes	Amount of Para (Rs in million)
2	Irregular expenditure	IESCO	4.20	10	4.00
3	Irregular execution of electrification schemes costing	IESCO	4.15	1	2.47
<b>Total</b>				<b>12</b>	<b>7.84</b>

The violation of guidelines of Cabinet Division resulted in irregular expenditure of Rs 7.84 million.

The matter was taken up with the management in November, 2018. The FESCO management replied that no shifting of 11kv line is involved in this case. In fact revised estimate for Village electrification was administratively approved due to execution of CPEC project. The route of 11kv line proposed in the above mentioned estimate was revised. Whereas, IESCO management replied that Rehabilitation of Electricity Distribution Infrastructure means Shifting, Augmentation and conversion for improvement of distribution system.

The DAC in its meeting held on 13<sup>th</sup> & 14<sup>th</sup> March, 2019 directed the management of respective DISCOs to get the record pertaining to reasons for shifting verified by Audit. Further, progress was not reported till finalization of the report.

Audit recommends that the management needs to comply with the DAC directive.

### **2.2.23 Irregular release of funds without prior technical feasibility - Rs 18.665 million**

According to Para 2,3,4 & 8 of guidelines of the Cabinet Division Islamabad issued vide notification dated October 10, 2016 for

implementation of the Prime Minister’s Global Sustainable Development Goals (SDGs) Achievement Programme, prior technical feasibility and cost estimates was mandatory before according administrative approval and subsequent releases of funds.

In DISCOs, funds Rs 18.665 million were released by District Development Committee against thirty eight (38) village electrifications schemes without technical feasibility. After release of funds, technical feasibility was prepared by executing agency and only 24 schemes were found technically un-feasible/not workable. Hence, release of funds by the District Development Committee without obtaining prior feasibility from the executing agency, was irregular and in contradiction to guidelines of Cabinet Division.

<b>Sr. No.</b>	<b>Subject</b>	<b>Name of formation</b>	<b>AIR Para No.</b>	<b>Amount of Para (Rs in million)</b>
1	Non-surrender of funds received against “not workable” village scheme	SEPCO	5	1.695
2	Irregular release of funds without prior technical feasibility	LESCO	2.10	6.50
3	Irregular drawl of funds against unfeasible electrification schemes	IESCO	4.14	10.47
<b>Total</b>				<b>18.665</b>

Non-adherence to the guidelines of Cabinet Division resulted into irregular release of funds amounting to Rs 18.665 million during the financial years 2016-18.

The matter was reported to the management in November, 2018. It was replied by SEPCO management that the process of surrendering of funds have been circulated. Once finalized would be informed accordingly. LESCO management replied that the matter pertained to the concerned

Divisional Commissioner who released the funds on the directions of the then legislature. The matter would be referred to concerned quarter for proper reply. Whereas, IESCO management replied that funds drawn against unfeasible schemes would be returned on completion of all other schemes.

The DAC in its meeting held on 13<sup>th</sup> & 14<sup>th</sup> March, 2019 directed the management to:

- i. Surrender funds not utilized
- ii. Verify from Audit relevant record that the schemes were feasible earlier at planning stage and subsequently became unfeasible. Further, progress was not reported till finalization of the report.

Audit recommends that the management needs to comply with the DAC directive.

#### **2.2.24 Irregular opening of accounts and investment in violation of Finance Division's instructions - Rs 3,654.617 million**

As per policy issued by Finance Division vide circular No.F-4 (1)/2002-BR-II dated July 02, 2003, public sector enterprises and local/autonomous bodies can deposit their working balance required for their operation with any public or private bank subject to the following requirements:

- a) The banks/financial institutions taking a deposit should have a minimum A rating appearing on the web-site of the State Bank of Pakistan.
- b) In case the total working balance exceeds Rs 10 million, the selection of the banks as well as the terms of deposits will be approved by the concerned Board of Directors/Governing Body on the basis of competitive bids from at least three independent banks.

- c) In case, where total working balance of an enterprise exceeds Rs 10 million, not more than 50% of such balance shall be kept with one bank.

In DISCO, the instructions of the Finance Division were not adhered while depositing SDGs funds for Rs 3,654.617 million in banks. This state of affair depicted that undue favour was extended to the banks.

Sr. No.	Subject	Name of formation	AIR Para No.	Amount of Para (Rs in million)
1	Violation of Finance Division's instruction regarding opening of bank account and investment	MEPCO	26	2,154.617
2	Irregular placement of funds with Zari Tarquiati Bank	FESCO	4.21	1500
<b>Total</b>				<b>3,654.617</b>

The violation of instructions of the Finance Division resulted in irregular placement of funds amounting Rs 3,654.617 million with banks during the financial year

The matter was taken up with the management in November, 2018. It was replied by the management of FESCO that funds were placed in different banks keeping in view the total available funds of entity rather than the balance of single account i.e. SDG. No reply was furnished by the management of MEPCO.

The DAC in its meeting held on 13<sup>th</sup> & 14<sup>th</sup> March, 2019 directed the management of respective DISCOs to submit the revised reply alongwith SoPs, closing balance of relevant bank account and get the record verified by Audit. Further, progress was awaited till finalization of the report.

Audit recommends that the management needs to comply with the DAC directive.

**2.2.25 Non-remittance of profit earned on SDGs funds to Government - Rs 222.371 million**

As per instruction issued by the Prime Minister Secretariat on March 9, 2017, the executing agencies are liable to return the interest to Government of Pakistan on the funds disbursed to them for development schemes, for the period these funds remained unspent in the bank account of the executing agency.

In DISCOs, bank markup/ profit Rs 222.371 million were earned on funds released under Prime Minister’s Global Sustainable Development Goals Achievement Programme SDGs. The same was to be remitted to GOP but the same was not done uptill now.

Sr. No.	Subject of the Para	Formation	Para No. of IR	Amount of the Para (Rs in million)
1	Non-remittance of interest to Government of Pakistan	FESCO	4.9	117.56
2	Non-remittance of interest on savings	HESCO	4.1.9	0.83
3	Non-remittance of interest to Government of Pakistan	IESCO	4.11	6.06
4	Non-remittance of interest earned to Government of Pakistan	PESCO	4.4	25
5	Non-remittance of profit earned on SDGs funds	MEPCO	29	72.921
<b>Total</b>				<b>222.371</b>

The violation of Prime Minister’s instruction resulted in loss of Rs 222.371 million during financial years 2016-18.

The matter was taken up with the management in November, 2018. The management of FESCO and HESCO replied that the mark-up would be remitted to Govt. of Pakistan on the completion of project. The management of IESCO replied that the amount of profit earned was adjusted by NEPRA in consumer end tariff. The management of PESCO replied that the mark-up earned would be adjusted in the increase in cost of schemes. No reply was furnished by the management of MEPCO.

The DAC in its meeting held on 13<sup>th</sup> & 14th March, 2019 directed the management to examine the case if it had similar PAC directive on it and submit revised reply to Audit. Further, progress was awaited till finalization of the report.

Audit recommends that the management needs to comply with the DAC directive.

#### **2.2.26 Irregular drawl of funds against the commercial purpose schemes - Rs 0.710 million**

According to Para - 4 of guidelines of the Cabinet Division Islamabad issued vide notification dated October 10, 2016 for implementation of the Prime Minister's Global Sustainable Development Goals (SDGs) Achievement Programme, "the competent forum while approving the proposal would certify that the scheme(s) is/are feasible, in public interest and no other agency has undertaken or is undertaking the scheme in the area. This fact shall be duly reflected in the minutes of the meeting. It would then be submitted to the PIU through the Provincial Steering Committee."

In IESCO, funds Rs 0.710 million were released for execution of village electrification schemes under Prime Minister's Global Sustainable Development Goals (SDGs) Achievement Programme. At the time of vetting estimates, the consultants returned the estimates with remarks that scope of work of the proposed scheme was for commercial purpose. Since the scheme was not feasible, drawl of funds was not justified.

Non adherence to the guidelines of Cabinet Division had resulted in misappropriation of funds against irregular schemes of electrification.

The matter was taken up with the management in November, 2018. The management replied that the scheme was vetted by the consultant and executed accordingly.

The DAC in its meeting held on 13<sup>th</sup> & 14<sup>th</sup> March, 2019 directed the management to get the re-vetting of estimate verified by Audit. Further, progress was waited till finalization of the report.

Audit recommends that the management needs to comply with the DAC directive.

#### **2.2.27 Irregular award of contract at rates reduced after bid and after bid validity period - Rs 135.428 million**

According to Rule-40 of the PPRA, “save as otherwise provided there shall be no negotiations with the bidder having submitted the lowest evaluated bid or with any other bidder. According to Rule-31 of PPRA, (1) No bidder shall be allowed to alter or modify his bid after the bids have been opened. However the procuring agency may seek and accept clarifications to the bid that do not change the substance of the bid. According to the bidding document of Tender No. 160 for procurement of Osprey conductor, “the delivery period was stated as 60/90 days from the issuance of purchase order.”

In MEPCO, tender for procurement of 2000 K.M Osprey conductor was opened on 07.04.2017. After opening of bids, the 1<sup>st</sup> lowest bidder reduced its bid three times to the extent of Rs 235,000/- 234,500/- w.e.f. vide his letter dated 12.04.2017, 17.04.2017 & 22.05.2017 with condition to supply material quantity according to his own terms. Finally on 05.7.2017, after three months from the opening date of tender and lapse of original delivery period, the supplier agreed to supply material quantity according to bidding documents at reduced rate of Rs 231,500. The scenario depicted that the award of contract was lingered till the arrival of convenient time of supplier for delivery of material. The post bid negotiation and repeated act of the supplier for changing the substance of the bid required for confiscation of bid money and subsequent cancellation of tender by the management but the same was done. This act of management clearly depicted that undue favour was granted to the supplier.

Non-adherence to the PPRA rules and provisions of bidding documents resulted in irregular award of contract amounting Rs 135.428 million during the financial years 2016-18.

The matter was reported to the management in November, 2018. It was replied that the purchase order was made within the validity period of tender and no violation was made.

The DAC in its meeting held on 13& 14<sup>th</sup> March, 2019 directed the management to justify delay in issuance of Purchase Order (PO) and get the record verified by Audit. Further, progress was awaited till finalization of the report.

Audit recommends that the management needs to comply with the DAC directive.

#### **2.2.28 Unjustified village electrification on overloaded 11-KV feeders - Rs 689.274 million**

According to Summary of Direction of NEPRA for the determination of consumer end tariff pertaining to financial years 2015-16, “MEPCO was directed to undertake village electrification after carrying out of the technical evaluation and not to undertake any village electrification which would result in overloading of its system.”

In MEPCO, 1,139 capitalized works costing Rs 689.274 million completed under Prime Minister’s Global Sustainable Development Goals (SDGs) Achievement Programme were executed on already overloaded 11-KV feeders. The execution of these works on overloaded 11-KV feeders was in contradiction to the directions of NEPRA.

Non-adherence to the directions of NEPRA’s resulted in unjustified village electrification out of SDGs funds on overloaded 11-KV feeders amounting Rs 689.274 million during the financial years 2016-18.



The matter was reported to the management in November 2018. It was replied that matter relates to Planning & Evaluation (P&E) MEPCO directorate. The reply was not tenable as no technical evaluation was carried out while preparing feasibility and granting technical sanction of the schemes resulting execution of village electrification on already overloaded system.

The DAC in its meeting held on 13<sup>th</sup> & 14<sup>th</sup> March, 2019 directed the management to provide justification with record for subject overloaded feeder cases to Audit for verification. Further, progress was awaited till finalization of the report.

Audit recommends that the management needs to comply with the DAC directive.

#### **2.2.29 Unauthorized short term investment of SDGs funds - Rs 8,241.158 million**

In pursuance of the approval of Cabinet in its meetings held on 30<sup>th</sup> September, 2016 the guidelines for execution of a special development programme called “Prime Minister’s Sustainable Development Goals (SDGs) Achievement Program” was approved for provision of development opportunities in different areas by direct targeted intervention. The said guideline does not include any provision giving authorization to executing agency for making short term investment out of development funds released by Government for execution of approved schemes. According to Para-13 of said guidelines, “schemes identified for a specified financial year shall be completed within the same year.

In MEPCO, short term investment of Rs 8,241.158 million was made out of funds received under Prime Minister Sustainable Development Achievement Programme for execution of electrification schemes. The investment of SDGs funds was unauthorized as no provision in this regard was existed in the guideline of the Cabinet Division. The prime objective for transferring funds to executing agency was to speed up execution of works

for timely completion after procuring the required material. Conversely the executing agency preferred to invest these funds for earning profit instead of using the same for basic purpose. Resultantly 2,915 schemes remained incomplete and 1,028 schemes were not initiated even upto June, 2018.

Non-adherence to guidelines of the Cabinet Division resulted in unauthorized investment of Rs 8,241.158 million causing abnormal delay in completion of SDGs schemes during the period 2016-18.

The matter was reported to the management during November, 2018. No reply was furnished.

The DAC in its meeting held on 13<sup>th</sup> & 14<sup>th</sup> March, 2019 directed the management to provide the detailed summary regarding amount invested with dates and its utilization alongwith relevant evidence to Audit for verification. Further, progress was not reported till finalization of the report.

Audit recommends that the management needs to comply with the DAC directive.

### **2.2.30 Non-deposit of profit earned on Term Deposit Receipt (TDR) investments - Rs 8.236 million**

According to International Accounting Standard (IAS)-1.15, the financial statements must 'present fairly' the financial performance and cash flows of an entity. Fair presentation requires the faithful representation of the effects of transactions, other events, and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the Frameworks. The application of IFRS, with additional disclosure when necessary is presumed to result in financial statements that achieve a fair presentation."

In MEPCO, profit of Rs 51.951 million was earned on TDR (Term Deposit Receipt) during the period April 2017 to June 2018. As such, the transactions of profit earned on these investments were to be a part of the

Bank Statement of the respective account, but it is astonishing to point out that only profit transactions of Rs 43.715 million pertaining to the TDR investment were appearing in the bank account. The whereabouts of the balance profit amounting Rs 8.236 million was not traceable. The un-reconciled amount of profit may leads to misappropriation to the same extent.

Non-adherence to IAS resulted in un-reconciled profit on TDR investments made out of SDGs Funds amounting Rs 8.236 million during the financial years 2016-18.

The matter was reported to the management during November, 2018 but no reply was furnished.

The DAC in its meeting held on 13<sup>th</sup> & 14<sup>th</sup> March, 2019 directed the management to get the difference verified by Audit. Further, progress was not reported till finalization of the report.

Audit recommends that the management needs to comply with the DAC directive.

#### **2.2.31 Excess release of funds by District Development Committee - Rs 1.556 million**

“According to Para 2,3,4 & 8 of guidelines of the Cabinet Division Islamabad issued vide notification dated October 10, 2016 for implementation of the Prime Minister’s Global Sustainable Development Goals (SDGs) Achievement Programme, prior technical feasibility and cost estimates was mandatory before according administrative approval and subsequent releases of funds”.

In MEPCO, 25 village electrifications schemes costing Rs 15.296 million were administratively approved by Deputy Commissioner District Development Committee Multan. But funds amounting Rs 16.852 million

against these schemes were released. This resulted in excess release of funds to the tune of Rs 1.556 million

Non-adherence to the guidelines of Cabinet Division resulted into excess release of funds amounting to Rs 1.556 million during the financial years 2016-18.

The matter was reported to the management in November 2018. The management replied that the observation relates to the Divisional Commissioner Office. The reply was not tenable.

The DAC in its meeting held on 13<sup>th</sup> & 14<sup>th</sup> March, 2019 directed the management to surrender the excess released funds (Rs 630,000) and get the same verified by Audit. Further, progress was awaited till finalization of the report.

Audit recommends that the management needs to comply with the DAC directive.

#### **2.2.32 Irregular shifting of funds from IESCO to GEPCO - Rs 16.08 million**

According to administrative approval of the schemes funds were placed at the disposal of IESCO.

In IESCO, funds Rs 16.08 million were transferred to Divisional Commissioners outside the jurisdiction of respective company with the approval of Chief Executive Officer. The Chief Executive Officer was not competent to transfer these funds directly to Commissioner rather to surrender these funds to District Development Committee for further transfer to respect District Government. Hence, the action of respective CEO was irregular.

The violation of funds giving agency had resulted in irregular expenditure of Rs 16.08 million.

The matter was taken up with the management in November, 2018. It was replied by management that Rs 16.08 million were transferred to GEPCO under intimation to Commissioner Rawalpindi as these schemes were falling in jurisdiction of GEPCO's.

The DAC in its meeting held on 13& 14th March, 2019 directed the management to provide the revised reply for verification. Further, progress was not reported till finalization of the report.

Audit recommends that the management needs to comply with the DAC directive.

### **2.2.33 Non-remittance of overdrawn funds to GoP - Rs 6.197 million**

An agreement between PESCO and FAS was signed on September 15, 2017 for village electrification schemes to be executed in PESCO. The consultancy charges were fixed 0.51% of the cost of electrification schemes.

In PESCO, Rs 13.442 million was incorporated/ included on account consultancy charges at the rate of 0.89 % and 1 % while framing cost estimate of the schemes. Subsequently contract agreement with Consultant was signed @ 0.51%. Resultantly funds of Rs 6.197 million (13.442-7.245) were drawn in excess and were not remitted to the GoP.

The violation agreement had resulted in irregular drawl of funds of Rs 6.197 million.

The matter was taken up with the management in October, 2018. It was replied that difference if any would be adjusted on the completion of the schemes.

The DAC in its meeting held on 13<sup>th</sup> & 14<sup>th</sup> March, 2019 directed the management to remit the extra amount drawn to the GoP and get the record

verified by Audit. Further, progress was awaited till finalization of the report.

Audit recommends that the management needs to comply with the DAC directive.

#### **2.2.34 Mis-procurement of material due to cartel of contractors - Rs 24.51 million**

Rule-20 of Public Procurement rules,” saves as otherwise provided hereafter, the procuring agency shall use open competitive bidding as the principle method of procurement for the procurement of goods, services and works”.

In GEPCO, tenders for the contract work of SDGs were advertised under different packages. In response a number of contractors participated and the quoted rates found very high i.e. upto 14.50% above was very abnormal. Afterwards the bidders reduced and managed the rates in such a way that each of the contractors was awarded contract under different packages by making negotiations. The action of contractor and management for indulging in negotiations after bidding and subsequent award of contract to all contractors under different packages clearly depicted pooling/ cartel which was in contradiction of PPRA rules.

Non-adherence to the public procurement rules resulted into mis-procurement of material valuing Rs 24.51 million during the financial years 2016-18.

The matter was taken up with the management in October, 2018. The management replied that no any negotiation on rates was conducted. BOD of GEPCO approved the tender up to maximum of 30% increase for 05 years after offering the decreased rates by the contractor voluntarily. About 6% increase to already approved rates/per annum in lieu of inflation in labor rates were approved by BOD of GEPCO.

The DAC in its meeting held on 13<sup>th</sup> & 14<sup>th</sup> March, 2019 did not agree with the stance of the management and directed the management to seek clarification from PPRA. Further, progress was not reported till finalization of the report.

Audit recommends that the management needs to comply with the DAC directive.

## **Performance**

### **2.2.35 Non-submission of PC-IV Proforma of capitalized schemes - Rs 4,453.624 million**

According to Para-17 of guidelines of the Cabinet Division Islamabad issued vide notification dated October 10, 2016 for implementation of the Prime Minister's Global Sustainable Development Goals (SDGs) Achievement Programme, "the PAO shall prepare completion certificates on PC-IV proforma within three months of the project completion sending copies to Cabinet Division, Planning Development & Reform Division and Finance Division".

In DISCOs, 5,964 schemes costing Rs 4,453.624 million (Annexure-E) were completed. Against these schemes completion certificates on PC-IV proforma were not submitted to the concerned quarters, which was in contradiction to guidelines of the Cabinet Division.

Non-adherence to guidelines of the Cabinet Division resulted in non-preparation of completion certificates on PC-IV proforma for the 5892 schemes valuing Rs 4,444.624 million during the financial years 2016-18.

The matter was reported to the management in November 2018. The management of FESCO, QESCO, and LESCO replied that work on the SDGs schemes were under progress and completion report/ PC-IV would be submitted after completion of schemes. The management of IESCO replied that DCO is intimating the status of the schemes on regular basis. The management of HESCO replied that and replied that completion report of

completed schemes was being reported to concerned quarter through Liaison Officer HESCO Headquarter. The management of PESCO replied that the PC-IV i.e. completion is under process with the consultant. The management of MEPCO replied that compliance would be made shortly. The management of SEPCO replied that the progress of all the completed works was sent to Chief Engineer (RE) PEPCO for further submission to Ministry of Energy (Power) and PC-IV proforma was to be prepared by PAOs.

The DAC in its meeting held on 13& 14th March, 2019 directed the management of all DISCOs to complete the process of completion reports /A-90s. The Companies having PC-I of the schemes will have to produce PC-IV and get the whole record verified by Audit. Further, progress was awaited till finalization of the report.

Audit recommends that the management needs to comply with the DAC directive.

#### **2.2.36 Non-completion of village electrification schemes - Rs 5,932.692 million**

According to Para-13 of guidelines of the Cabinet Division Islamabad issued vide notification dated October 10, 2016 for implementation of the Prime Minister's Global Sustainable Development Goals (SDGs) Achievement Programme, "schemes identified for a specified financial year shall be completed within the same year. No cost overrun will be admissible and there shall be no cushion available to meet any extra cost on any account. Additional funding/throw forward will not be permissible".

In DISCOs, 7,236 village electrification schemes costing Rs 5,932.692 million were not completed despite lapse of considerable period since completion date (Annexure-F). This state of affair reflected slow pace of work by the executing agencies, which resulted in non-achievement of targeted goals.



Non-adherence to guidelines of the Cabinet Division resulted in non-completion of 7,428 village electrification schemes costing Rs 6,112.346 million during financial years 2016-18.

The matter was reported to the management in November 2018. The management of LESCO replied that reply would be submitted after consultation of record. The management of SEPCO replied that the works / schemes were under process. The management of FESCO replied that the work on SDG schemes was stopped by the worthy Chief Election Commission of Pakistan. The management of HESCO replied that schemes were completed at site but not energized as the villagers are not applying for connection / meters as per PC-I and Efforts were being taken to finalize the schemes. The management of IESCO replied that schemes were in progress and would be completed on the availability of material. The management of QESCO replied that works were on completing stage and were not completed timely due to delay in receiving of funds. The management of TESCO replied that works were delayed due to general election 2018 and would be completed shortly. The management of GEPCO replied that schemes were received at the end of previous Government tenure and subsequently were stopped till the conclusion of election. The replies were not tenable as in the light of guidelines of the Cabinet Division, the schemes identified for a specified financial year were required to be completed within the same year.

The DAC in its meeting held on 13& 14th March, 2019 was not satisfied with the progress regarding completion of electrification schemes and directed to submit a revised reply alongwith record of the following items for verification by Audit:

- i. Detail of release of funds for each scheme with dates
- ii. Procurement orders with dates
- iii. Details of schemes completed with dates
- iv. Detail of schemes in complete with reasons for non-completion
- v. Target date for completion of each scheme.

Further, progress was not reported till finalization of the report.

Audit recommends that the management needs to comply with the DAC directive.

### **2.2.37 Non-commencement of schemes - Rs 1,259.248 million**

According to Para-13 of guidelines of the Cabinet Division Islamabad issued vide notification dated October 10, 2016 for implementation of the Prime Minister's Global Sustainable Development Goals (SDGs) Achievement Programme, "schemes identified for a specified financial year shall be completed within the same year.

In DISCOs, 1,847 electrification schemes were administratively approved at cost of Rs 1,259.248 million. Subsequently funds were released against these schemes for execution but the concerned Project Director (Construction) failed to start these schemes despite availability of funds. The purpose for which these schemes were approved had gone waste.

<b>Sr. No.</b>	<b>Name of formation</b>	<b>AIR Para No.</b>	<b>No. of Schemes</b>	<b>Amount of Para (Rs in million)</b>
1	FESCO	4.3	796	713.005
2	IESCO	4.27	23	40.25
3	MEPCO	7	1,028	505.993
	<b>Total</b>		<b>1,847</b>	<b>1,259.248</b>

Violation of the guidelines of the Cabinet Division resulted in non-execution of schemes costing Rs 1,259.248 million proved clear-cut negligence on the part of the executing agency.

The matter was taken up with the management in November, 2018. It was replied that the work on SDG schemes were stopped by the worthy Chief Election Commission of Pakistan. The reply was not acceptable as schemes were suspended for the time being. The plea of Chief Election

Commission of Pakistan to stop the scheme was not justified as sufficient time was already available with the executing agency. In fact funds were not utilized at appropriate time.

The DAC in its meeting held on 13<sup>th</sup> & 14<sup>th</sup> March, 2019 directed the management of respective DISCOs to submit a revised reply with complete detail of schemes showing present status. DAC also directed DISCOs to take up the matter of hindrance in electrification schemes with the Ministry of Energy, through PEPCO, under intimation to Audit. Further, progress was awaited till finalization of the report.

Audit recommends that the management needs to comply with the DAC directive.

### **2.2.38 Irregular capitalization of SDGs works without financial closure - Rs 225.735 million**

As per para 8.7.2 (5) of Accounting and Financial Manual “Once the project is complete, the concerned accounting head under the DDO/PD shall prepare the Journal voucher based on the final determined cost (i.e. after appropriation of management expense) for transfer of the project from the WIP to the asset account. Also included in the information to be provided by the DDO/PD, will be entries for the Fixed Asset Register, the cost allocation sheet and other information. The concerned GMF shall review and vet the final transfer documents before affecting final transfer and recording in the books of accounts.

In LESCO, 328 electrification schemes costing Rs 225.735 million were capitalized during the period. But it is astonishing that expenditures were being charged after such capitalization which was in contradiction to the accounting principle. The cost of fixed assets capitalized cannot be altered once the cost allocation sheet was finalized and final transfer of asset has been made. It seemed that the management was trying to establish its efficiency in achievements by rolling down the procedures. Moreover, this

also creates a doubt about the completion of the schemes under SDG's Programme.

Violation of Accounting and Financial Manual resulted in irregular capitalization of works amounting to Rs 225.735 during the financial years 2016-18.

The matter was reported to the management in October 2018. It was replied that the capitalization of schemes was made as per Entrepreneur Report Processing (ERP) system. Any expenditure made can be booked against the relevant scheme as per default ERP system. The reply was not tenable as provisions of Accounting and Financial Manual of were not being adhered to during the capitalization process of completed schemes.

The DAC in its meeting held on 13<sup>th</sup> & 14<sup>th</sup> March, 2019 was not satisfied with the management reply and directed to submit a revised reply with justification and evidence for Audit verification. Further, progress was awaited till finalization of the report.

Audit recommends that the management needs to comply with the DAC directive.

### **2.2.39 Non-achievement of envisaged benefits due to non-energization of village electrification schemes - Rs 6.224 million**

According to PC-1 proforma of village electrification scheme of district Pishin, Ziarat and Qilla Saifullah, living of the people of the area beside a source of revenue collection un-taped water resources utility also provokes availability of electricity in the area, a fundamental needs attribute to development and parity.

In QESCO, funds Rs 49.83 million for construction of 76 village schemes were received by QESCO to provide electricity supply. As such, expenditure of Rs 38.58 million was incurred on execution/completion of these schemes but envisaged benefits could not be achieved so far. Audit

was of the view that completed schemes were not energized despite elapse of nine months by the field formations. Resultantly, funds of Rs 38.58 million incurred against completion of these works could be gone wasted and estimated revenue of Rs 6.224 million as worked out in PC-I.

Non-adherence to PC-1 of SDG Program resulted revenue loss due to non-energization of village electrification schemes - Rs 6.224 million up to the financial year 2017-18.

The matter was taken up with the management in November, 2018. The management replied that revenue would be generated after installation of meters on respective areas. The reply was not tenable because completed schemes were not energized despite lapse of 9 months by the field formations of QESCO and envisaged benefits of PC-1 could not be achieved.

The DAC in its meeting held on 13<sup>th</sup> & 14<sup>th</sup> March, 2019 directed the management of QESCO to submit a revised reply with complete scheme wise detail to Audit for verification. Further, progress was awaited till finalization of the report.

Audit recommends that the management needs to comply with the DAC directive.

#### **2.2.40 Non-surrender of PM's SDGs funds after close of Financial Year in NA-36 Mohmand Agency - Rs 83.596 million**

According to Para No.13 of Guidelines issued through Notification of Cabinet Division Islamabad dated 10.10.2016, "Schemes identified for a specified financial year shall be completed within the same year. No cost overrun will be admissible and there shall be no cushion available to meet any extra cost on any account. Additional funding / throw forward will not be permissible."

In TESCO, funds of Rs 83.596 million were transferred for execution of 118 Village Electrification Works in Mohmand Agency in April, 2018. However, these works were not completed upto June, 2018 despite the fact that material amounting to Rs 16.716 million was drawn in one day whereas, work order for these works was issued to contractor on 2<sup>nd</sup> August, 2018 by processing tender in July, 2018. This apprehends that drawl of material was done only to justify the retention of funds after close of financial year against the direction of Cabinet Division which requires to surrender the funds to GoP as throw forward was not permissible.

The matter needs to be justified or the amount in question be surrendered to Government of Pakistan, under report to audit.

The matter was brought into the notice of TESCO management in November, 2018, it was replied that the schemes were approved in March, 2018 and funds were released to TESCO during April and May, 2018. The estimates were sanctioned for execution of works at site and material was released during May, 2018 for installation. As the contractor was hired after completion of all PPRA rules which takes at least 2 months and work order was issued to the contractor. Moreover, the Election Commission of Pakistan has imposed ban on all developmental projects/schemes. The reply was not tenable as the scheme was to be completed within same financial year and the funds was to be surrendered to Government of Pakistan.

The DAC in its meeting held on 13<sup>th</sup> & 14<sup>th</sup> March, 2019 directed the management of TESCO to submit a detailed reply with justification and evidence to Audit for verification. Further, progress was awaited till finalization of the report.

Audit recommends that the management needs to comply with the DAC directive.

#### **2.2.41 Double inclusion of 12% storage charges in cost estimates of SDGs Schemes - Rs 6.136 million**

The price bulletin depicting cost of material circulated by Material Management Directorate of MEPCO to field formations for preparation of estimates of works was inclusive of 12 % storage charges.

In MEPCO, Rs 6.136 million were included on account of 12% storage charges in the cost estimates of 88 village electrification schemes. Firstly, the individual material items inclusive of 12% storage charges (as circulated by Manager Material Management Directorate) were included in cost estimates of material and then further 12 % storage charges on the total cost of material were added in the estimated cost of schemes. This resulted into exaggerated estimation by double inclusion of 12% storage charges and subsequent excess release of funds to the tune of Rs 6.136 million from GoP.

The double inclusion of 12 % store charges in estimates resulted in excess release of funds from GoP to the tune of Rs 6.136 million during the financial years 2016-18.

The matter was taken up with the management in November 2018. The management replied that final reply would be submitted after consulting the record.

The DAC in its meeting held on 13<sup>th</sup> & 14<sup>th</sup> March, 2019 directed to hold an Inquiry at PEPCO level to determine the extent of double charging of 12% storage charges in cost estimates of SDGs scheme under intimation to Audit. Further, progress was awaited till finalization of the report.

Audit recommends that the management needs to comply with the DAC directive.

#### **2.2.42 Non-remittance of unspent balance to GoP - Rs 1,704.586 million**

According to Para-10 of General Financial Rules, every public officer is expected to exercise 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, according to canons of financial propriety and probity.

In FESCO, funds of Rs 2,940.47 million were placed at the disposal of FESCO for execution of 2928 schemes. Out of these funds Rs 1,235.88 million were utilized for execution of electrification schemes. However, an amount of Rs 1,704.586 million was also lying unspent as on 30.06.2018. The purpose for which funds were placed had been defeated.

The violation of the General Financial Rules had resulted in unspent balance of Rs 1,704.586 million.

The matter was taken up with the management in November, 2018. It was replied that due to stoppage of work on SDG schemes by the Chief Election Commission of Pakistan, the works were still in progress. The reply was not tenable as schemes were suspended for the time being. The plea of Chief Election Commission of Pakistan to stoppage the schemes was not justified as sufficient time was already available with the executing agency. In fact funds were not utilized at appropriate time.

The DAC in its meeting held on 13<sup>th</sup> & 14<sup>th</sup> March, 2019 directed the management of FESCO to justify the non-completion of works timely and further directed to complete the works as early as possible before June, 2019 and remit the unspent balance to GoP. Further, progress was awaited till finalization of the report.

Audit recommends that the management needs to comply with the DAC directive.



## Internal Control Weakness

### 2.2.43 Non-capitalization of completed electrification works - Rs 1,405.861 million

As per DISCOs Accounting Manual, “A-90 Form (completion report) prepared by the Deputy Manager (Construction)/ Deputy Manager (GSC) is certified by the Consultants and forwarded to Project Director (Construction)/ Project Director (GSC) for capitalization”.

In DISCOs, 1810 village electrification schemes costing Rs 1,405.861 million under Prime Minister Sustainable Development Goals Achievement Programme were shown completed but not yet capitalized as detailed below:

Sr. No.	Name of Formation	Para No. of IR	No. of Schemes	Amount of Para (Rs in million)
1	GEPCO	9.3.3	312	223.996
2	HESCO	4.2.2	47	50.637
3	LESCO	4.2	176	134.039
4	MEPCO	13	1222	946.105
5	QESCO	7.16	13	7.74
6	SEPCO	12	40	43.344
	<b>Total</b>		<b>1810</b>	<b>1,405.861</b>

Due to non-capitalization, these assets could not be transferred to respective formations in order to achieve envisaged benefits.

Non-adherence to Accounting Manual resulted in non-capitalization of completed electrification schemes amounting Rs 1,405.861 million upto the financial years 2016-2018.

The matter was taken up with the management in November 2018. It was replied that the capitalization process of completed schemes was in progress. Progress will be intimated in due course of time. The reply was not

tenable as the completed schemes were required to be capitalized soon after physical completion.

The DAC in its meeting held on 13<sup>th</sup> & 14<sup>th</sup> March, 2019 directed the management to get the record, relating to the works capitalized, verified by Audit upto 31<sup>st</sup> March, 2019. Further, progress was awaited till finalization of the report.

Audit recommends that the management needs to comply with the DAC directive.

#### **2.2.44 Non-submission of monthly progress on physical work and utilization of funds to Cabinet Division - Rs 11,546.099 million**

According to Para-12 of guidelines of the Cabinet Division Islamabad issued vide notification dated October 10, 2016 for implementation of the Prime Minister’s Global Sustainable Development Goals (SDGs) Achievement Programme, “the Divisional Commissioners/ executing agencies shall be responsible to ensure the quality of work and furnish to the Cabinet Division, Islamabad monthly progress on physical work and utilization of funds.

In DISCOs, funds Rs 11,546.099 million were released for execution of village electrifications schemes under Prime Minister’s Global Sustainable Development Goals Achievement Programme. Against these funds monthly progress on physical work and utilization of funds was not submitted to the Cabinet Division as detailed below:

<b>Sr. No.</b>	<b>Name of Formation</b>	<b>IR Para No.</b>	<b>Amount of Para (Rs in million)</b>
1	HESCO	4.1.2	228.31
2	SEPCO	7	309.068
3	TESCO	2	201.513
4	LESCO	3.3	457.43

<b>Sr. No.</b>	<b>Name of Formation</b>	<b>IR Para No.</b>	<b>Amount of Para (Rs in million)</b>
5	MEPCO	1	6,057.765
6	FESCO	4.26	1368.73
7	IESCO	4.46	1,476.285
8	PESCO	4.3	1,446.998
		<b>Total</b>	<b>11,546.099</b>

The violation of guidelines of the Cabinet Division resulted in non-submission of monthly progress on physical work and utilization of funds position to the Cabinet Division amounting Rs 11,546.099 million during the financial years 2016-18.

The matter was taken up with the management in November 2018. It was replied by the management of HESCO, SEPCO, MEPCO and LESCO that monthly progress was submitted regularly to Chief Engineer (Rural Electrification) PEPCO whereas the management of FESCO replied that point has been noted for compliance. The management of TESCO replied that due to ban on execution of development schemes by the Election Commission, the execution of works could not be started. However no reply was given by the management of IESCO and PESCO. The replies of the management was not agreed to as monthly progress on physical work and utilization of funds position was required to be submitted by the executing agency to the Cabinet Division.

The DAC in its meeting held on 13<sup>th</sup> & 14<sup>th</sup> March, 2019 directed the management to produce the Consolidated Progress Report of all DISCOs for period upto 31st December, 2018 submitted to the Cabinet Division to Audit for its verification. Further, progress was awaited till finalization of the report.

Audit recommends that the management needs to comply with the DAC directive.

#### **2.2.45 Irregular double release of funds for same schemes - Rs 12.471 million**

According to Para-4 of guidelines of the Cabinet Division Islamabad issued vide notification dated October 10, 2016 for implementation of the Prime Minister's Global Sustainable Development Goals (SDGs) Achievement Programme, "the competent forum while approving the proposal would certify that the scheme (s) is/are feasible, in public interest and no other agency has undertaken or is undertaking the same scheme in the area".

In DISCOs, funds Rs 12.471 million under Prime Minister's Global Sustainable Development Goals (SDGs) Achievement Programme were released against 15 duplicate schemes, as detailed below. This scenario depicted that due diligence was not extended while approving proposals of these schemes.

<b>Sr. No.</b>	<b>Formation</b>	<b>Para No. of IR</b>	<b>No. of Schemes</b>	<b>Amount of the Para (Rs in million)</b>
1	FESCO	4.7	1	1.186
2	IESCO	4.16	10	7.55
3	LESCO	2.12	4	3.735
	<b>Total</b>		<b>15</b>	<b>12.471</b>

Non adherence to the guidelines of Cabinet Division resulted in irregular release of funds amounting Rs 12.471 million against duplicate schemes up to the financial year 2017-18.

The matter was reported to the management during November, 2018. The management of FESCO replied that duplicity of scheme came to notice after release of funds. The management of IESCO replied that expenditure was not incurred against duplicate schemes. The reply was not tenable as due diligence was not exercised by the competent forum while preparing feasibility and subsequent release of funds from GoP.

The DAC in its meeting held on 13<sup>th</sup> & 14<sup>th</sup> March, 2019 directed the management that funds drawn on these schemes may be surrendered

and relevant record got verified from Audit. Further, progress was awaited till finalization of the report.

Audit recommends that the management needs to comply with the DAC directive.

#### **2.2.46 Unauthorized utilization of material of other works in SDGs schemes - Rs 38.005 million**

According to Para-4.5 (Section-9) of Distribution Stores Manual,“ the Line Superintendent will use the materials on the job for which he drew and will record the consumption in his Electrical Measurement Book (EMB) / Material Consumption Register (MCR) showing any materials left after the work has been completed”.

In DISCOs, electrical material valuing Rs 38.005 million released against other works was utilized in 691 SDGs schemes as detailed below:

<b>Sr. No.</b>	<b>Formation</b>	<b>Para No. of IR</b>	<b>No. of Schemes</b>	<b>Amount of Para (Rs in million)</b>
1	LESCO	4.4	160	10.679
2	MEPCO	6	531	27.326
	<b>Total</b>		<b>691</b>	<b>38.005</b>

The utilization of the material drawn for other works, in SDGs schemes was irregular and unauthorized irregular in the light of Distribution Store Manual. This also resulted in non-completion of other works against which the material was originally released/ drawn.

Non-adherence to the provisions of Distribution Store Manual resulted in irregular/ unauthorized utilization of material amounting Rs 38.005 million in SDGs schemes during the financial years 2016-18.

The matter was taken up with the management in November 2018. The management of LESCO replied that there was no unauthorized utilization of material and material was used as per need/ requirement of

site. The management of MEPCO replied that it was policy in vogue that material can be utilized to complete the job in emergency. Further there was no violation of procedure as all the material has since been adjusted. The reply was not tenable as the provisions of the Distribution Stores Manual were not adhered to and material was utilized on the job against which it was not drawn.

The DAC in its meeting held on 13<sup>th</sup> & 14<sup>th</sup> March, 2019 directed the management to get the record relating to each scheme verified by Audit with 15 days. Further, progress was awaited till finalization of the report.

Audit recommends that the management needs to comply with the DAC directive.

#### **2.2.47 Non-return of surplus material to store - Rs 29.227 million**

As per Para-75 of WAPDA Accounting Manual, 1978, “on completion of the work, the excess material will be returned to godown or transferred to another work.”

In DISCOs, electrical material valuing Rs 29.227 million was found surplus after execution of SDGs schemes as pointed out by the Consultants in Form-C. The surplus material, as per SOP, was required to be returned to store but needful was not done.

<b>Sr. No.</b>	<b>Formation</b>	<b>Para No. of IR</b>	<b>Amount of Para (Rs in million)</b>
1	LESCO	4.3	2.297
2	MEPCO	16	26.836
3	SEPCO	15	0.094
		<b>Total</b>	<b>29.227</b>

Non-adherence to WAPDA Accounting Manual resulted in non-return of surplus material valuing Rs 29.227 million to store during the financial years 2016-18.

The matter was reported to the management in November 2018. The management of LESCO replied that the surplus material will be returned to store shortly. The management of MEPCO and SEPCO replied that proper reply would be submitted after consulting the record. No further progress was intimated till finalization of the report.

The DAC in its meeting held on 13<sup>th</sup> & 14<sup>th</sup> March, 2019 directed the management to get the record relating to each scheme verified by Audit with 15 days. Further, progress was awaited till finalization of the report.

Audit recommends that the management needs to comply with the DAC directive.

#### **2.2.48 Extra financial burden due to provision of higher capacity transformers - Rs 656.201 million**

According to Chief Engineer (Rural Electrification) PEPCO letter No. 241-62/ CE(RE) dated January 11, 2010, "Distribution Companies were directed to install 10 KVA transformers upto 05-houses and 15 KVA transformers beyond 05 upto 10-houses for village electrification by keeping in view the estimated rural load of 1-1.5 KW/house in order to economize the cost and restrict misuse".

In DISCOs, the numbers of houses were not kept in view while estimating the capacity of transformers in 1,125 village electrification schemes costing Rs 656.201 million and transformers of higher capacity were provided. This was not only causing unrealistic/ uneconomic estimation but also resulted into extra financial burden on public exchequer.

Sr. No.	Subject	Name of Formation	Para No. of IR	No. of Schemes	Amount of Para (Rs in million)
1	Unjustified village electrification due to provision of higher capacity transformers	LESCO	2.15	04	2.08
2	Unjustified village electrification due to provision of higher capacity transformers	MEPCO	14	1,085	646.631
3	Irregular charging of higher capacity transformer in execution of village electrification schemes	QESCO	7.9	36	7.49
<b>Total</b>				<b>1,125</b>	<b>656.201</b>

Violation of Authority's directions resulted in unjustified rural electrification of 1,125 schemes valuing Rs 656.201 million due to provision of higher capacity transformers during the financial years 2016-18.

The matter was taken up with the management in November 2018. The management of LESCO replied that lower capacity transformers were not procured by the Manager Material Management and provision of transformers was made according to need/ availability. The management of MEPCO replied that the policy for installation of transformers of a specific capacity pertained to Development of Power (DOP)/ Energy Loss Reduction (ELR) works and higher capacity transformers were installed by keeping in view the future load capacity of the area. Further lower capacity transformers were also not available in stores. The management of QESCO replied that feasibilities of the sites were prepared at the time of submission



of PC-1 which were vetted by energy wing and transformers were installed by keeping in view the load of the area. The reply was not justified as capacity of transformer to be installed was to be reckoned in the light of Authority's directions.

The DAC in its meeting held on 13<sup>th</sup> & 14<sup>th</sup> March, 2019 directed the management to provide the detailed reply along with complete data relating to actual load of schemes on sample basis to Audit for verification. Further, progress was awaited till finalization of the report.

Audit recommends that the management needs to comply with the DAC directive.

#### **2.2.49 Unjustified installation of lower/ under capacity transformers - Rs 494.27 million**

According to Chief Engineer (Rural Electrification) PEPCO letter No. 241-62/ CE (RE) dated January 11, 2010, "Distribution Companies were directed to install 10 KVA transformers upto 05-houses and 15 KVA transformers beyond 05 upto 10-houses for village electrification by keeping in view the estimated rural load of 1-1.5 KW/house in order to economize the cost and restrict misuse".

In DISCOs, the numbers of houses were not kept in view while assessing the capacity of transformers in 574 village electrification schemes costing Rs 494.27 million. The provision of lower capacity transformers by ignoring number of houses mentioned in the cost estimates of schemes leads to the apprehension that either the numbers of houses stated in the respective schemes were not factual or the estimates were prepared just to use the public funds for other motives.

<b>Sr. No.</b>	<b>Name of Formation</b>	<b>Para No. of IR</b>	<b>No. of Schemes</b>	<b>Amount of Para (Rs in million)</b>
1	LESCO	2.16	32	21.543
2	MEPCO	15	542	472.727
	<b>Total</b>		<b>574</b>	<b>494.27</b>

Violation of Authority's directions resulted in unjustified rural electrification of 574 schemes costing Rs 494.27 million during the financial years 2016-18.

The matter was taken up with the management in November 2018. The management of LESCO replied that the provision of transformers was made as per request/ application of the residents for provision of electricity connection. The management of MEPCO replied that transformers were installed by keeping in view of the site requirement of the area. The replies were not tenable as capacity of transformers installed was to be reckoned in the light of Authority's directions

The DAC in its meeting held on 13<sup>th</sup> & 14<sup>th</sup> March, 2019 directed the management to provide the detailed reply along with complete data relating to actual load of schemes on sample basis to Audit for verification. Further, progress was awaited till finalization of the report.

Audit recommends that the management needs to comply with the DAC directive.

#### **2.2.50 Non-deduction of Punjab & Khyber Pakhtunkhwa Sales Tax on services - Rs 14.83 million**

According to Punjab Sales Tax on Services Act 2012 and Khyber Pakhtunkhwa Sales Tax on Finance Act, 2013, 16% and 15% sales tax respectively on services should be applicable on services provided by persons engaged in contractual execution of work on furnishing supplies.

In DISCOs, Rs 14.83 million was paid to various contractors on account of services provided for execution of electrification schemes under Prime Minister's Global Sustainable Development Goals (SDGs) Achievement Programme as per contractual obligation. At the time of payments, Sales Tax on services was not deducted from the claims of contractor.

<b>Sr. No.</b>	<b>Subject</b>	<b>Name of formation</b>	<b>AIR Para No.</b>	<b>Amount of Para (Rs in million)</b>
1	Non-deduction of Punjab sales tax on services	IESCO	4.38	7.91
2	Non-deduction of KPK sales tax on services	PESCO	4.10	6.92
<b>Total</b>				<b>14.83</b>

The violation of Sales Tax on services Act had resulted in loss of Rs 14.83 million to the public exchequer during the financial years 2016-18.

The matter was taken up with the management in November, 2018. The management of IESCO replied that being a Government Department, the Punjab Sales Tax on service is not applicable on this Directorate. The management of PESCO replied that sales tax on Services Act was not applicable on electrification. The reply of IESCO was not acceptable as area of contract works were within the jurisdiction of Punjab territory. The reply of PESCO was also not acceptable as KPK Sales Tax on Services was applicable at the rate of 15% on those persons who were engaged in contractual execution of work or furnishing supplies as per Finance Act 2013 (Second Schedule at serial No. 26).

The DAC in its meeting held on 13<sup>th</sup> & 14<sup>th</sup> March, 2019 directed the management to get the record verified by Audit after recovering the amount in question in case of PESCO and pursue the case in court of law by IESCO. Further, progress was awaited till finalization of the report.

Audit recommends that the management needs to comply with the DAC directive.

### 2.2.51 Irregular assignment of SDGs works to Operational Formations for execution - Rs 17.815 million

According to Para-13 of guidelines of the Cabinet Division Islamabad issued vide notification dated October 10, 2016 for implementation of the Prime Minister’s Global Sustainable Development Goals (SDGs) Achievement Programme, “schemes identified for a specified financial year shall be completed within the same year. No cost overrun will be admissible and there shall be no cushion available to meet any extra cost on any account. Additional funding/throw forward will not permissible”.

In DISCOs, funds Rs 17.815 million were received against 148 schemes approved in December 2017 under Prime Minister’s Global Sustainable Development Goals (SDGs) Achievement Programme. Instead of transferring funds to Manager Construction, the amount was transferred to Operational Formations for execution/completion of works. Being contradiction in nature of works, assigning said works to Operational Divisions was irrational. Due to irrational thrust of works, the works costing Rs 17.815 million remained incomplete till the closure of financial year 2018.

Sr. No.	Subject	Name of formation	AIR Para No.	No. of Schemes	Amount of Para (Rs in million)
1	Irrational thrust of works to operational formations for completion of SDGs works	MEPCO	8	137	14.165
2	Irregular shifting of funds from IESCO to XEN Attock	IESCO	4.41	11	3.65
<b>Total</b>				<b>148</b>	<b>17.815</b>

The irrational thrust of works to Operational Divisions for execution resulted in violation of SDGs guidelines due to non-completion of schemes within the stipulated time period during the financial year 2017-18.

The matter was taken up with the management in November 2018. The management of MEPCO replied that matter relates to the office of Divisional Commissioner (s). The management of IESCO replied that funds were shifted to XEN Attock operation Division for execution of 11 schemes. The replies were not tenable as works were to be executed by the Construction Divisions in order to avoid inordinate delay in completion.

The DAC in its meeting held on 13<sup>th</sup> & 14<sup>th</sup> March, 2019 directed the management to get the record of completed work verified by Audit. Incomplete works will be included and dealt in para 2.4.2 accordingly. Further, progress was awaited till finalization of the report.

Audit recommends that the management needs to comply with the DAC directive.

#### **2.2.52 Unjustified electrification of Deras - Rs 1.024 million**

As per guideline for implementation of rural electrification Schemes, “provided the village/settlements having a population of 50 and above must also fulfill the condition of minimum 10 compact houses within a radius of 400 feet”.

In GEPCO, a scheme costing Rs 1.024 was approved for electrification of 3 No. Deras located at different places having radius of at least 1500 feet. This state of affairs indicated that it may be undue favor to Dera owners through public welfare schemes.

Non-adherence to authority’s instruction resulted into unjustified electrification costing Rs 1.024 million during the years 2016-18.

The matter was taken up with the management in November, 2018. The management replied that matter would be investigated and replied accordingly.

The DAC in its meeting held on 13<sup>th</sup> & 14<sup>th</sup> March, 2019 directed the management to get the instance verified by Audit. Further, progress was awaited till finalization of the report.

Audit recommends that the management needs to comply with the DAC directive.

#### **2.2.53 Irregular electrification scheme for non-residential site - Rs 0.734 million**

The BARQAB Consultancy Services (Private) Limited vide letter bearing No. 631-32 BQB/REP/R&M/IESCO dated June 06, 2017 has passed on the remarks against schemes Dera Jat Nazar Muhammad village Toba Union Council Toba Teh: Pind Dadan khan, District Jhelum“ As per site situation there were no residential houses”.

In IESCO, electrification scheme costing Rs 0.734 million comprising dera jat was executed. In the absence of any residential house, authenticity and genuineness of the scheme could not be ascertained. Hence, its execution was not justified in any way.

The violation of the guidelines of Cabinet Division resulted in irregular expenditure of Rs 0.734 million during the financial years 2016-18.

The matter was taken up with the management in November, 2018 and it was replied that scheme was vetted by the consultant for 4 houses. The reply was not acceptable as no documentary evidence was provided. In the absence of certification of consultant scheme could not be declared justified.

The DAC in its meeting held on 13<sup>th</sup> & 14<sup>th</sup> March, 2019 directed the management to get the instance verified by Audit. Further, progress was awaited till finalization of the report.

Audit recommends that the management needs to comply with the DAC directive.

#### **2.2.54 Non-receipt of performance security - Rs 6.40 million**

As per section 10(1) of PPRA Rules the successful tenders shall be required to furnish a bank guarantee for the performance of the contract.

In GEPCO, tenders for contract work under eight (8) packages valuing Rs 6.4 million were floated and the works were awarded to various contractors. But the performance guarantee from the contractors was not obtained. This situation not only put the company into a risk of non-execution of contractual provisions but also violation of rules.

Non-adherence to the authority's instructions resulted into non-receipt of security Rs 6.40 million against the works awarded during the period 2016-18.

The matter was taken up with the management in November, 2018. The management replied that Bank Guarantee in shape of CDR was being taken from the contractors. 10% security was also deducted from the contractor's bill for and against the quality of work. The reply was not tenable as the documentary evidence in support of stance was provided.

The DAC in its meeting held on 13<sup>th</sup> & 14<sup>th</sup> March, 2019 directed the management to get the record verify by Audit. Further, progress was awaited till finalization of the report.

Audit recommends that the management needs to comply with the DAC directive.

### **2.2.55 Loss due to procurement of HT PC Spun Hollow Poles 36 feet - Rs 8.05 million**

According to Rule-8 of Public Procurement Rules-2004, all procuring agencies shall devise a mechanism, for planning in detail for all proposed procurements with the object of realistically determining the requirements of the procuring agency, within its available resources, delivery time or completion date and benefits that are likely to accrue to the procuring agency in future. According to Rule-9 of Public Procurement Rules-2004, a 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.

In FESCO, purchase order for procurement of HT PC Spun Hollow Poles 36 FT at the rate of Rs 13,950 was placed on supplier on September 25, 2017. Again another purchase order was placed on September 29, 2017 for procurement of same material was issued to other supplier at the rate of Rs 14,250. Due to splitting of procurement quantity in two purchase orders, the company had to sustain loss of Rs 8.05 million due to high raters during the year 2017-18. The violation of PPRA Rules had resulted in loss of Rs 8.05 million.

The matter was taken up with the management in November, 2018. It was replied that the difference in rates was due to provision of transportation charges in base rate of tenders. The reply was not acceptable as transportation charges were paid to the contractor through separate work orders. Hence, provision of transportation charges was not justified.

The DAC in its meeting held on 13<sup>th</sup> & 14<sup>th</sup> March, 2019 directed the management to produce the relevant documents to Audit for verification. Further, progress was awaited till finalization of the report.

Audit recommends that the management needs to comply with the DAC directive.



**2.2.56 Non-deduction of amount of bid security from the claims of M/s PECO - Rs 2.432 million and irregular placement of purchase order - Rs 142.289 million**

According to Rule-31 (1) of Public Procurement Rules-2004, “No bidder shall be allowed to alter or modify his bid after the bids have been opened. However, the procuring agency may seek and accept clarifications to the bid that do not change the substance of the bid”.

In PESCO, two (02) LOIs were issued to suppliers for the procurement of LT Steel Structure for submission of performance guarantee. In one case the supplier did not submit the performance guarantee and hence Rs 2.432 million was to be recovered from the supplier as per decision of the management. The same was not done. While in other case, LOI for procurement of material valuing Rs 142.289 million was issued to the second lowest bidder after acceptance of offer in price reduction against the provision of PPRA.

The violation of PPRA’s Rules, 2004 had resulted in irregular procurement of Rs 142.289 million and non-recovering of bid security had also resulted in loss of Rs 2.432 million.

The matter was taken up with the management in November, 2018. It was replied that an amount of Rs 2.43 million was recovered from the pending claims of the supplier. The same would be verified from the audit. The reply was not acceptable as no documents were produced for verification. Purchase order Rs 142.289 million was placed on the second lowest bidder which was irregular as second lowest reduced his rates at par with the first lowest bidder. Hence, purchase order was not in line with the provision of PPRA’s Rules 2004.

The DAC in its meeting held on 13<sup>th</sup> & 14<sup>th</sup> March, 2019 directed the management to produce the relevant record to Audit for verification. Further, progress was awaited till finalization of the report.

Audit recommends that the management needs to comply with the DAC directive.

#### **2.2.57 Irregular provision of consultancy charges in estimates without hiring of the consultants - Rs 21.92 million**

According to Para-13 of guidelines of the Cabinet Division Islamabad issued vide notification dated October 10, 2016 for implementation of the Prime Minister's Global Sustainable Development Goals (SDGs) Achievement Programme, "there shall be no cushion available to meet any extra cost on any account in the cost estimates of village electrification schemes."

In FESCO, Rs 21.92 million was incorporated in the estimates of electrification schemes to be executed under Prime Minister's Global Sustainable Development Goals (SDGs) Achievement Program on account of consultancy charges @ 0.8% without hiring of the consultants. This scenario depicted that cushion for extra cost on account of consultancy charges was kept in the estimates which was unjustified and irregular in the light of guidelines of the Cabinet Division.

The violation of guidelines of the Cabinet Division resulted in irregular drawl of SDGs funds amounting Rs 21.92 million due to provision of consultancy charges in estimates without hiring the Consultants during the financial years 2016-18.

The matter was taken up with the management in November, 2018. It was replied that hiring process of 3<sup>rd</sup> party consultancy services was in process and all the SDGs schemes were not yet completed. The reply was not tenable as almost all schemes were completed without engaging / hiring consultant whereas the funds were already drawn on account of consultancy services at the time of approval of schemes.

The DAC in its meeting held on 13<sup>th</sup> & 14<sup>th</sup> March, 2019 did not agree with the management view point and directed to provide detail of work done on each scheme by the in house team of DISCO for verification from Audit. Further, progress was awaited till finalization of the report.

Audit recommends that the management needs to comply with the DAC directive.

#### **2.2.58 Irregular procurement of 15 KVA transformers - Rs 12.93 million**

NEPRA in its determination of Tariff of IESCO's vide No. NEPRA/TRF-336/IESCO-2015/2689-2691 dated February 29, 2016 and subsequent re-determination vide No. NEPRA/TRF-336/IESCO 2015/15633-15635 dated 18.09.2017, directed IESCO that 25 KVA transformer should be proposed in village electrification works instead of 10 KVA and 15 KVA transformer in order to avoid from the cases of augmentation and financial loss.

In IESCO, 15 KVA distribution transformers valuing Rs 12.93 million were procured for village electrification in contradiction the directions of NEPRA.

The violation of directions of NEPRA resulted in irregular procurement of 15 KVA transformers valuing Rs 12.93 million during the financial years 2016-18.

The matter was taken up with the management in November 2018. It was replied that 15 KVA transformers were procured in order to meet the requirement of operational circles. The reply was not acceptable as the purchase order was approved by keeping in view 80% utilization of 15 KVA transformers on the deposits works of village electrification work.

The DAC in its meeting held on 13<sup>th</sup> & 14<sup>th</sup> March, 2019 directed the management to submit revised/detailed reply along with justification and

documentary evidence for verification by Audit. Further, progress was awaited till finalization of the report.

Audit recommends that the management needs to comply with the DAC directive.

### **2.2.59 Unjustified execution of village electrification schemes due to provision of abnormal lengthy LT Lines - Rs 7.399 million**

According to General Manager (C&M) Power WAPDA letter No. GM(C&M)P/1144-56 dated March 10, 2006, “the maximum length of LT line for village electrification was 1200 ft.”

In LESCO, ten (10) village electrifications schemes costing Rs 7.399 million, executed under Prime Minister Sustainable Development Goals Achievement Programme, was completed with provision of LT line having length ranging from 1220 ft to 1920 ft which was beyond the length specified by the authority.

Violation of Authority’s instructions resulted in unjustified expenditure of Rs 7.399 million on village electrification due to provision of abnormally lengthy LT lines during the financial years 2016-18.

The matter was taken up with the management in November 2018. It was replied that the referred criteria pertained to the village electrification under Distribution of Power (DOP) works. The reply was not tenable as instructions of the General Manager (C&M) Power WAPDA were categorically issued for village electrification works.

The DAC in its meeting held on 13<sup>th</sup> & 14<sup>th</sup> March, 2019 directed the management to submit revised/detailed reply along with justification and documentary evidence for verification by Audit. Further, progress was awaited till finalization of the report.

Audit recommends that the management needs to comply with the DAC directive.

**2.2.60 Extra financial burden due to excessive installation of HT Poles in village electrification schemes - Rs 2.281 million**

According to table-11 of Distribution Rehabilitation Guidelines of WAPDA, “the HT Pole span length with Dog/ Rabbit conductor in rural area was 400 ft”.

In LESCO, 57 village electrification schemes, executed under Prime Minister Sustainable Development Goals Achievement Programme, were completed with provision of HT poles span length ranging from 150 ft to 320 ft. Resultantly, excessive quantity of HT poles and allied material amounting Rs 2.281 million was installed causing extra financial burden on public exchequer.

Violation of Distribution Rehabilitation Guidelines of WAPDA resulted in extra financial burden on public exchequer amounting Rs 2.281 million due to excessive provision of HT poles and allied material in estimates during the financial years 2016-18.

The matter was taken up with the management in October 2018. It was replied that there was no violation. HT span length was made as per site condition. The reply was not tenable as the standard given in the Distribution Rehabilitation Guidelines of WAPDA was not adhered to.

The DAC in its meeting held on 13<sup>th</sup> & 14<sup>th</sup> March, 2019 directed the management to submit revised/detailed reply along with justification and documentary evidence for verification by Audit. Further, progress was awaited till finalization of the report.

Audit recommends that the management needs to comply with the DAC directive.

### **2.2.61 Wrong booking of SGDs works expenditures against Renovation/Augmentation - Rs 5.063 million**

According to Para 19.5 of Accounting and Financial Reporting Manual of WAPDA, “on receipt of credit advice, the Budget & Accounts Officer will credit the liability/payable or income account by debiting the Head office current account.”

In MEPCO, funds Rs 5.063 million were transferred by Finance Director to Deputy Manager (O) Chichawatni for execution of 133 electrification schemes under Prime Minister Sustainable Development Programme. The expenditure incurred against works was debited against ‘Renovation/Augmentation account head’ budgeted through company’s own resources. Later, the error was doubled by debiting ‘Deposit Works’ and crediting ‘Capitalized on Store Material’.

Non-adherence to Financial & Reporting Manual of WAPDA resulted in Wrong booking of SGDs works expenditures against Renovation/Augmentation head amounting Rs 5.063 million during the financial years 2016-18.

The matter was taken up with the management in November 2018. It was replied that the observation relates to the Deputy Manager (O) Division Chichawatni.

The DAC in its meeting held on 13<sup>th</sup> & 14<sup>th</sup> March, 2019 directed the management to provide complete transaction trail to Audit for verification. Further, progress was awaited till finalization of the report.

Audit recommends that the management needs to comply with the DAC directive.

## **2.2.62 Irregular award of contract at higher rates to single bidder - Rs 53.426 million**

The chief Executive MEPCO constituted Bid Evaluation Committee of tenders called for procurement of materials through Manager (Proc.) Distribution MEPCO Multan vide No. 55949-52/ CE/ MEPCO/ AG-121/ Misc. dated November 11, 2017.

In MEPCO, contract for procurement of 200 KVA Distribution Transformers valuing Rs 53.426 million (including 17% GST) was awarded to single bidder without recommendations of the Bid Evaluation Committee. The said committee did not recommend award of contract by categorically stating that the rates offered by the single evaluated bidder was on higher side. The award of contract in the contradiction to the recommendations of Bid Evaluation Committee was irregular.

Violation of the recommendation of the Bid Evaluation Committee resulted in irregular award of contract valuing Rs 53.426 million during the financial years 2016-18.

The matter was taken up with the management during November, 2018. It was replied that procurement was made through open competitive bidding and PPRA put no ban for procurement from single bidder. The reply was irrelevant as purchase order was not placed on the recommendations of the Bid Evaluation Committee.

The DAC in its meeting held on 13<sup>th</sup> & 14<sup>th</sup> March, 2019 directed the management to produce the documentary evidence including price reasonability done and bid evaluation report to Audit for verification. Further, progress was awaited till finalization of the report.

Audit recommends that the management needs to comply with the DAC directive.

### **2.2.63 Non-imposition of liquidated damages charges - Rs 25.01 million**

According to clause 12 of the purchase order bearing P.O. No. 676/T-1204/2017-18/3311-16 dated September 29, 2017, if supplier fails to supply to deliver the store or any consign, thereof within the specified delivery period, the purchaser shall be entitled to recover from the supplier liquidated damages charges at the rate of 2% per month or a fraction, thereof subject to maximum of 10% of the contract price.

In FESCO, three purchase orders for procurement of electrical material valuing Rs 249.49 million for execution of 2928 schemes were placed on the suppliers. The suppliers did not supply the material within the delivery schedule. As per contract, Liquidated Damages were to be recovered but the same was not done.

The violation of provision of purchase orders had resulted in non-imposition of LD charged on the suppliers Rs 25.01 million.

The matter was taken up with the management in November, 2018. No reply was furnished till finalization of the report.

The DAC in its meeting held on 13<sup>th</sup> & 14<sup>th</sup> March, 2019 directed the management to produce the recovery record to Audit for verification. Further, progress was awaited till finalization of the report.

Audit recommends that the management needs to comply with the DAC directive.

### **2.2.64 Loss due to favouring an individual consumer by the electrification of dera through an independent consumer - Rs 0.25 million**

All losses whether of Public money or of store shall be subjected to inquiry to fix responsibility of losses as per guidelines dated July 17, 1982 issued by WAPDA for enforcing the responsibility for losses.



In GEPCO, undue favor was given to an independent consumer by installation of 25 KVA transformer valuing Rs 0.25 million on electrification of a DERA of village. This was not only the undue favor to the consumer but also loss to the Government to the stated extent.

Non-adherence to the rules resulted a loss of Rs 0.25 million into undue favor to an individual consumer during the period 2016-18.

The matter was taken up with the management in November, 2018. The management replied that the matter will be investigated and reported to audit accordingly.

The DAC in its meeting held on 13<sup>th</sup> & 14<sup>th</sup> March, 2019 directed the management to get the relevant record verified by Audit. Further, progress was awaited till finalization of the report.

Audit recommends that the management needs to comply with the DAC directive.

#### **2.2.65 Irregular award of purchase order due to non-evaluation of the bid submitted by the single bidder - Rs 513.94 million**

As per PPRA's Rules 2004, whenever a procuring agency is confronted with such a situation whereby the rate quoted by the single bidder cannot be compared so as to declare it as the lowest rate or otherwise it may make a prudent decision. While making a decision, the following factor may be kept in view:

- a) The comparison of price of the goods, works or services if procured during the current financial year.
- b) Market price of the goods, works and services to be procured
- c) In case abnormal increase in prices is observed, the procuring agency may like to re-advertise the procurement opportunity, if time permits.

In PESCO, purchase orders valuing Rs 513.94 million for procurement of HT & LT Steel Structure were placed on different firms after evaluation of 03 tenders. Single bidder participated in the bidding process in each of those 03 tenders. Bids were evaluated and declared responsive. The bid price of the single bidder was not evaluated as per criteria laid down in the frequently asked question No.12 under PPRA's Rules 2004. Therefore, award of purchase order could not be termed as regular.

Non-adherence to Public Procurement Rules, 2004 had resulted in irregular award of purchase order valuing Rs 513.94 million without proper evaluation of the single bid.

The matter was taken up with the management in October, 2018. It was replied that there was no bar on the acceptance of single bidder. Moreover, the bidders were evaluated by the PESCO Technical Committee. The reply was not acceptable as bid evaluation was not carried out as per criteria laid down in the frequently ask question No. 12 under PPRA's Rules 2004. Therefore award of purchase orders could not be termed as regular.

The DAC in its meeting held on 13<sup>th</sup> & 14<sup>th</sup> March, 2019 did not agree with the management stance and directed the management to submit revised reply with documentary evidence for consideration by Audit. Further, progress was awaited till finalization of the report.

Audit recommends that the management needs to comply with the DAC directive.

#### **2.2.66 Loss due to extra drawl of material - Rs 2.064 million**

As per Accounting Manual, A-90 form (Completion Report) is prepared by the Deputy Manager Construction and certified by the Consultants is forwarded to Project Director Construction for capitalization.

In GEPCO, Rs 2.064 million against 67 completed works were less capitalized than actually certified by the consultants. In completion report of works, excess material, labor and overhead charges were certified by consultant, but the formation capitalized less amount in A-90s. The situation apprehended that some extra material was installed against these works without the approval and revision of the estimates.

Non-following of the Authority's instructions resulted into doubtful completed works valuing Rs 2.064 million during the period 2016-18.

The matter was taken up with the management in November, 2018. The management replied that the difference of Rs 2.064 million was due to record the amount on form-C before adjustment of shortage/surplus etc. whereas the A-90 was prepared on the basis of actual cost basis and capitalized. However the matter would be investigated further and if any variation was found that would be adjusted. No further progress was intimated till finalization of the report.

The DAC in its meeting held on 13<sup>th</sup> & 14<sup>th</sup> March, 2019 directed the management to complete the reconciliation process and submit the relevant record for its verification by Audit. Further, progress was awaited till finalization of the report.

Audit recommends that the management needs to comply with the DAC directive.

#### **2.2.67 Irregular award of purchase orders to suppliers - Rs 855.17 million**

As per PPRA Rules 2004 clause 30 (1), all bids shall be evaluated in accordance with the evaluation criteria and other terms and conditions set forth in the prescribed bidding documents.

In QESCO, 10 purchase orders valuing Rs 855.17 million for material required for execution of electrification shames under Prime

Minister's Global Sustainable Development Goals (SDGs) Achievement Programme were issued to suppliers without detailed financial and technical evaluation of bidding documents in contradiction to PPRA Rules, 2004.

Non-adherence to PPRA Rules resulted irregular award of purchase orders to suppliers amounting to Rs 855.17 million up to the financial year 2017-18.

The matter was taken up with the management in November, 2018. The management replied that procurement was made by the procurement committee as per the criteria laid down in the bidding documents, the tender was awarded to the lowest responsive bidder after completing all codal formalities as per PPRA Rules. The reply was not tenable because purchase orders were issued to suppliers without technical and financial evaluation of bidding documents.

The DAC in its meeting held on 13<sup>th</sup> & 14<sup>th</sup> March, 2019 directed the management to get the stance verified by Audit. Further, progress was awaited till finalization of the report.

Audit recommends that the management needs to comply with the DAC directive.

#### **2.2.68 Wasteful expenditure due to non-energization of village electrification schemes - Rs 32.869 million**

The Prime Minister's Global Sustainable Development Goals (SDGs) Achievement Programme was approved for provisioning of development opportunities in deficient areas by direct targeted intervention and community was required to propose scheme.

In HESCO, 09 village electrification schemes costing Rs 32.869 million was not energized up to October 31, 2018. Non-energization of scheme due to public hindrance and non-submission of application by community for electricity connection leads to the apprehension that these schemes were

undertaken without the consent of community and feasibility of the schemes not assessed correctly. As such, expenditure of Rs 32.869 million was incurred on execution / completion of these schemes but envisaged benefits could not be achieved so far. Resultantly, funds of Rs 32.869 million incurred against completion of these works was gone waste.

Non-adherence to Cabinet Divisions' instructions resulted into wasteful expenditure of Rs 32.869 million due to non-energization of village electrification schemes up to the financial year 2017-18.

The matter was taken up with the management in November, 2018 and it was replied that schemes had been completed but the villagers did not have yet applied for connection / meters. The reply was not tenable as non-energization of completed schemes depicted that schemes were not under taken with the consent of community.

The DAC in its meeting held on 13<sup>th</sup> & 14<sup>th</sup> March, 2019 directed the management comply with the re-audit comments. Further, progress was awaited till finalization of the report.

Audit recommends that the management needs to comply with the DAC directive.

#### **2.2.69 Non-incorporating of completed works (A-90s) in books of accounts - Rs 10.961 million**

According to IAS-1, 'Presentation of financial statements' section-15 financial statements shall present fairly the financial position, financial performance and cash flows of an entity. Fair presentation requires the faithful representation of effects of the transaction, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expense set out in the framework". As per Accounting Manual, A-90 form (Completion Report) is prepared by the Deputy Manager Construction and certified by the Consultants is forwarded to Project Director Construction for capitalization.

In GEPCO, fifteen (15) schemes costing Rs 10.961 million of different constituencies were completed and certified by the consultants. The works were handed over to the concerned operation divisions but were not recorded in the books of accounts which resulted into unfair presentation of financial information.

Non-adherence to ISA and Accounting Manual resulted in unfair presentation of books of accounts to the extent of Rs 10.961 million during the financial years 2016-18.

The matter was taken up with the management in October, 2018. The management replied that these 15 works relates to construction division Sialkot which was wrongly booked under the head of ELR-LT and the matter has been resolved by passing rectifying entry in the books of accounts.

The DAC in its meeting held on 13<sup>th</sup> & 14<sup>th</sup> March, 2019 directed the management to produce the relevant record for its verification by Audit. Further, progress was awaited till finalization of the report.

Audit recommends that the management needs to comply with the DAC directive.

#### **2.2.70 Irregular procurement of material due to violation of PPRA Rules - Rs 800.17 million**

According to Rule-8 of Public Procurement Rules-2004, all procuring agencies shall devise a mechanism, for planning in detail for all proposed procurements with the object of realistically determining the requirements of the procuring agency, within its available resources, delivery time or completion date and benefits that are likely to accrue to the procuring agency in future. Moreover, according to Rule-9 of Public Procurement Rules-2004, a 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.

In FESCO, Tender No. 1,204, 1,207, 1,203 and 1,206 were floated for procurement of HT and LT Spun Hollow Poles. Before placement of purchase order the Tender quantity of the poles was increased abnormally in each (Lot) of the poles. Accordingly Purchase Orders were placed upon the suppliers for procurement of HT and LT Spun Hollow Poles. This methodology of procurement was not in line with the provision of Rules-8 of PPRA's Rules 2004, as all procuring agencies shall devise a mechanism for planning in detail for all proposed procurement with the object of realistically determining the requirement of the procuring agency within its available resources, delivery time or completion date. The procurement was irregular as it was not laid down in PPRA's Rules 2004 to enhance the quantity of Tender after opening of the bid. Hence, procurement of HT and LT Spun Hollow Poles was not in line with the PPRA's Rules 2004. The re-bidding was the best option in order to get competitive rates for procurement of poles. But this option was not exercised in order to save the company's exchequer.

The violation of PPRA's Rules 2004 had resulted in irregular procurement of Rs 800.17 million during the financial years 2016-18.

The matter was taken up with the management in November, 2018. It was replied that 50 % enhancement of procurement was made at the time of issuance of purchase order in the light of procurement bidding document prescribed by the Pakistan Engineering Council. The reply was not acceptable as 50% increase of quantity was nowhere mentioned in the bidding document (IB-35.2). However increase/decrease was mentioned. Abnormal increase was not allowed. However minor increase may be made. But 50% increase in tender quantity was not understood.

The DAC in its meeting held on 13<sup>th</sup> & 14<sup>th</sup> March, 2019 directed the management to submit revised reply along with documentary evidence.

Audit would review the matter accordingly. Further, progress was awaited till finalization of the report.

Audit recommends that the management needs to comply with the DAC directive.

#### **2.2.71 Unjustified payment on account of POL & TA/DA out of SDGs Funds - Rs 85.78 million**

According to Para-10 of General Financial Rules, every public officer is expected to exercise 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, according to canons of financial propriety and probity.

In IESCO, Rs 211.958 million was charged to SDG's works under the overhead & Labour charges. Out of this expenditure, an amount Rs 85.78 million (41.09+44.70) was booked under POL & TA/DA accounts head without any justification/basis. Resultantly, an amount of Rs 85.78 million was booked against SDGs fund. The authenticity and genuineness of the expenditure could not be ascertained.

Non-adherence to the guidelines of Cabinet Division resulted in misappropriation of funds against irregular scope of work of Rs 79.002 million during the financial years 2016-18.

The matter was taken up with the management in October, 2018 and it was replied that overhead charges were included in each estimates as per SOP due to operating expenses which were incurred by the executing agency. The reply was not acceptable as unjustified expenditure was incurred and subsequently booked to POL & TA/DA. Moreover, its genuineness and authenticity of the expenditure could not be ascertained during course of audit.

The DAC in its meeting held on 13<sup>th</sup> & 14<sup>th</sup> March, 2019 did not agree with the management stance and directed the management to submit



complete justification with documentary evidence for its verification by Audit. Further, progress was awaited till finalization of the report.

Audit recommends that the management needs to comply with the DAC directive.

### **2.2.72 Irregular expenditure due to non-certification by the Consultant - Rs 49.43 million**

According to Para-10 of General Financial Rules, every public officer is expected to exercise 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, according to canons of financial propriety and probity.

In IESCO, Rs 49.43 million were charged on the contract work for consultancy charges which were executed by the contractor for construction of erection of HT/LT Poles etc. under Prime Minister's Global Sustainable Development Goals (SDGs) Achievement Programme. Audit was of the firm view that consultancy services were not applicable on contract work as contract work was executed by the contractor which had no relevancy with the consultancy services. Moreover, works executed by the contractors were not certified by the consultant. Hence, it had been proved that consultancy services were in no way applicable on contract works.

Non-adherence to the instruction of Government resulted in irregular expenditure amounting Rs 49.43 million due to payment of consultancy charges during the financial years 2016-18.

The matter was taken up with the management in November, 2018. It was replied that the works were executed through contractors but vetting of PC-I / estimate, inspection of works and preparation of Completion Reports (A-90) has to be done by Consultant as per agreement. It is worth mentioning that completion reports are made only after inspection of the works, while the contract portion was also a part of estimate. The reply was

not acceptable as contract work was executed by the contractor which had no relevancy with the consultancy services. Moreover, contract work executed by the contractors was not certified by the consultant.

The DAC in its meeting held on 13<sup>th</sup> & 14<sup>th</sup> March, 2019 directed the management to produce the Completion Reports (A-90) vetted by the consultants to Audit for its verification. Further, progress was awaited till finalization of the report.

Audit recommends that the management needs to comply with the DAC directive.

### **2.2.73 Irregular technical sanctions of works from the approved limit of funds - Rs 7.15 million**

According to Notification issued by Cabinet Division, Islamabad dated 10.10.2016, Guidelines for implementation of the Prime Minister's Global Sustainable Development Goals (SDGs) Achievement Programme, "schemes identified for a specified financial year shall be completed within the same year. No cost overrun will be admissible and there shall be no cushion available to meet any extra cost on any account. Additional funding/throw forward will not be permissible.

In QESCO, technical sanctions for Rs 7.15 million against 26 village electrification works were approved from the competent authority in excess of administrative approval / funds received from Government of Pakistan. This was not allowed by the Cabinet Division in its guidelines.

Non-adherence to the guidelines of Cabinet Division had resulted in irregular technical sanctions of works from the approved limit of funds - Rs 7.15 million during the years 2016-18.

The matter was taken up with the management in November, 2018. The management replied that variation more than 15% has required revised administrative approval. The reply was not tenable because technical

sanctions / estimate of works were approved in excess 15% of funds received in each scheme which was clear cut violation of Cabinet Division guidelines.

The DAC in its meeting held on 13<sup>th</sup> & 14<sup>th</sup> March, 2019 directed the management to submit the revised reply with justification and get it verified by Audit. Further, progress was awaited till finalization of the report.

Audit recommends that the management needs to comply with the DAC directive.

#### **2.2.74 Irregular drawl of material for village electrification schemes - Rs 23.75 million**

According to Notification issued by Election Commission of Pakistan dated 11.04.2018, that all development schemes which have been approved with effect from 1st April, 2018 like installation of gas pipelines, supply of electricity, roads' carpeting, water supply schemes etc. shall not be executed by the Federal/provincial / local governments' authorities. Moreover, the Federal Government, the Provincial Governments and the Local Government shall not issue tenders of such schemes till conclusion of General Elections-2018.

In QESCO technical sanctions / estimates of 143 village electrification schemes were approved by the competent authority on April 03, 2018 against which material valuing Rs 23.75 million was drawn and installed at sites on different dates during the period April, 2018 to July, 2018 in violation of instructions issued by Election Commission of Pakistan. Audit was of the view that material amounting to Rs 23.75 million was drawn for execution of electrification schemes under this period to give undue benefit to political hands. Moreover, these schemes were also not completed uptill now.

Non-adherence of Election Commission of Pakistan instructions resulted in irregular drawl of material for village electrification schemes - Rs 23.75 million during the years 2016-18.

The matter was taken up with the management in November, 2018. The management replied that as per instruction issued by Government of Baluchistan tender may be called for those development schemes / projects which have been approved by the competent from prior to 1<sup>st</sup> April, 2018. As the funds have been received before mentioned dates, therefore execution was not stopped. The reply was not tenable because such instructions were issued by the Government of Baluchistan and have no relevancy with execution of development schemes under SDGs Programme. Moreover, spending of funds under development schemes were banned and shall stand frozen during election period as per notification of ECP.

The DAC in its meeting held on 13<sup>th</sup> & 14<sup>th</sup> March, 2019 directed the management to produce the relevant record for its verification by Audit. Further, progress was awaited till finalization of the report.

Audit recommends that the management needs to comply with the DAC directive.

#### **2.2.75 Irregular utilization of funds due to splitting of PC-I to avoid approval of Prime Minister - Rs 181.556 million**

According to para 2 & 21 of guidelines of the Cabinet Division issued through Notification of Cabinet Division Islamabad dated October 10, 2016, “schemes costing Rs 0.5 million and maximum amount of Rs 30 million would be entertained. Projects over and above Rs 30 million would require approval of the Prime Minister.” Further the funds shall be packaged division/district wise.”

In TESCO, PC-I exceeding Rs 30.00 million for supply of power to different villages in various Tehsils/Villages of Mohmand, Kurram and Bajour Agencies amounting Rs 181.556 million was not got approved from

the Prime Minister. However, these schemes were approved from Agency Development Sub Committees in violation of Cabinet Division Islamabad directions.

The violation of Cabinet Division guidelines/directions reflected doubtful utilization of funds amounting Rs 181.556 million during the financial years 2016-18.

The matter was reported to the management during November, 2018. It was replied that on verbal direction of concerned PA/DCOs the PC-I were prepared on tehsil basis, which were approved by the competent forum and no violation of the instructions was made. The reply was not tenable because as approval of PC-I was not in line with the guidelines of the Cabinet Division.

The DAC in its meeting held on 13<sup>th</sup> & 14<sup>th</sup> March, 2019 did not agree with the management view point and directed the management to provide complete report regarding the present status of the schemes. Further, progress was awaited till finalization of the report.

Audit recommends that the management needs to comply with the DAC directive.

#### **2.2.76 Irregular procurement of conductor through repeat / additional orders in violation of PPRA - Rs 75.03 million**

It was not laid down in PPRA's Rules 2004 to enhance the quantity of Tender to the extent of 50% at the time of issuance of purchase order after opening of the bid.

In IESCO , a purchase order valuing Rs 225.078 million was placed on M/s Fast Cable for procurement of 4275 KM Ant Conductor. Before issuance of purchase order the quantity of 50% i.e. 1425 KM valuing Rs 75.03 million was enhanced. The procurement was irregular as it was enhanced upto 50% of the tender quantity. So far as provision of special condition (XV) of bidding documents was concerned, it was not applicable

on procuring of material as it was not in line with the provision of PPRA's Rules 2004. Hence bidding clause could not super-cede the provision of PPRA's Rules 2004.

The matter was taken up with the management in November, 2018. It was replied that 50 % enhancement of procurement was made at the time of issuance of purchase order in the light of procurement bidding document prescribed by the Pakistan Engineering Council. The reply was not acceptable as 50% increase of quantity was nowhere mentioned in the bidding document (IB-35.2). However increase/decrease was mentioned.

The DAC in its meeting held on 13<sup>th</sup> & 14<sup>th</sup> March, 2019 did not agree with the management view point. However, the Audit would re-visit the management stance. Further, progress was awaited till finalization of the report.

Audit recommends that the management needs to comply with the DAC directive.

**CHAPTER 3**  
**MINISTRY OF ENERGY**  
**PETROLEUM DIVISION**  
**(SNGPL AND SSGC)**

**3.1 INTRODUCTION**

The Directorate General Audit (Petroleum and Natural Resources), Lahore conducted special audit of the “Prime Minister’s Global SDGs Achievement Programme” on the accounts of Sui Northern Gas Pipelines Limited (SNGPL) Lahore and Sui Southern Gas Company Ltd. (SSGC) Karachi during October 2018 to November 15 2018, for the period 2016-18.

Schemes were identified by the MNAs / MPAs / Notables and conveyed to the Prime Minister Secretariat. The schemes approved by Prime Minister on the recommendation of public representatives are sent to Director General (Gas) to seek cost estimation from the respective distribution companies. On the basis of this cost estimation Cabinet Division issues directives to AGPR Islamabad for placing funds in Bank Accounts maintained by the concerned companies.

Execution status of the programme by SNGPL and SSGC is placed below:

**SNGPL**

**(Rs in million)**

<b>Financial Year</b>	<b>Total No. of Schemes approved</b>	<b>Total No. of Schemes executed</b>	<b>Actual Release of Funds</b>	<b>Total Expenditure</b>
2016-17	27	19	3,491.00	511.00
2017-18	82	55	5,230.00	511.00
<b>Total</b>	<b>109</b>	<b>74</b>	<b>8,721.00</b>	<b>1,022.00</b>

**SSGC****(Rs in million)**

<b>Financial Year</b>	<b>Total No. of Schemes approved</b>	<b>Total No. of Schemes executed</b>	<b>Actual Release of Funds</b>	<b>Total Expenditure</b>
2016-17	03	03	315.00	-
2017-18	02	02	70.00	104.00
<b>Total</b>	<b>05</b>	<b>05</b>	<b>385.00</b>	<b>104.00</b>



## 3.2 AUDIT FINDINGS AND RECOMMENDATIONS

### Irregularity and Non-compliance

#### 3.2.1 Undue retention of funds in violation of SDGs guidelines - Rs 5,234.756 million

According to Para 10 of Cabinet Division's Development Wing Notification No. F.7(2)(Dev)/2016 dated October 10, 2016 the executing agencies shall ensure that the schemes are completed within the stipulated time and the approved cost. As per Para 13 of ibid, schemes identified for a specified financial year shall be completed within the same year. No cost overrun will be admissible and there shall be no cushion available to meet any extra cost on any account. Additional funding / throw forward will not be permissible.

During Special Audit of SDGs Programme for the FYs 2016-17 & 2017-18, it was observed that position of funds received from Federal and Provincial Governments and withdrawn by SNGPL under SDGs Programme during the FYs 2016-17 and 2017-18 was as follows:

(Rs in million)

Funding source	Total Funds Received for Gas Schemes	Funds Withdrawn / sanctioned for gas schemes	Balance Un Spent / Un-sanctioned for which no gas scheme was approved	Balance as per Bank Account As on Sept. 30, 2018
Federal Government to SNGPL	4,830.000	2,339.086	2,540.913	2,685.822
Government of the Punjab to SNGPL	3,926.948	1,489.030	2,437.917	2,548.934
<b>Total</b>	<b>8,756.948</b>	<b>3,828.116</b>	<b>4,978.830</b>	<b>5,234.756</b>
<b>Difference due to interest accruals</b>				<b>255.926</b>

\* Source: Data provided by the Management

It was noticed that only 44% funds were withdrawn for initiating the work on gas supply schemes and remaining 56% funds remained lying in

Company's SDGs accounts whereas the completion period i.e. June 30, 2018 had elapsed. SNGPL management should have utilized the funds received so that gas schemes could be completed and communities devoid of natural gas facility could benefit from these schemes. The unspent balance should have been surrendered to the respective government immediately. However, the management failed to utilize the funds or return the unspent balances. The funds actually spent were even less than those withdrawn and kept in Company's accounts. This inaction on the part of SNGPL and SSGC managements caused non-achievement of PM's Global SDGs Programme.

Audit was of the view that due to non-surrender of unspent funds lying in SNGPL and SSGC bank accounts, the Federal Government and Government of the Punjab had to bear loss as they were paying interest on funds availed on overdraft facility during the period. Whereas SNGPL management earned interest on the unspent balance kept in bank accounts @ 4% which was also retained along with the unutilized balance.

The matter was reported to the Management and PAO in November, 2018. During the DAC meeting held on December 11 2018, the SNGPL management explained that due to of extra ordinary quantum of work, lag time involved in the procurement of material, limited budget approved by OGRA as well as stoppage of work owing to general elections it was not possible to complete all the schemes in one year. However, in ensuing years company was expecting sufficient budgetary allocations for the accomplishment of the schemes. DAC decided that the matter may be taken up with the Federal Government either to get the appropriate budget allocated from the OGRA or surrender the unspent amount. The management should not have accepted the schemes beyond its capacity. No further progress was reported till finalization of the report.

Audit recommends the implementation of DAC directives. In future the government funds should be received after necessary arrangement by the SNGPL for its own contribution toward the specific schemes.

(OM 01, OM 29-FAT-III and Para 4.1.10-K)

### 3.2.2 Undue retention of funds over and above Governments' share released under SDGs Programme - Rs 1,649.194 million

According to Para 8 of Cabinet Division's Development Wing Notification No. F.7(2)(Dev)/2016 dated October 10, 2016 savings against the schemes completed shall be surrendered immediately on completion of the scheme without waiting for closing of the financial year.

During Special Audit of SDGs Programme for the FYs 2016-17 & 2017-18, it was observed that SNGPL management retained funds of Rs 1,649.194 million in excess of actual government share in total amount sanctioned by the company for the gas schemes as per following details:

(Rs in million)

<b>Government</b>	<b>No of schemes</b>	<b>Amount received</b>	<b>Government share in amount sanctioned</b>	<b>Amount retained beyond sanctioned amount</b>
Federal Government	25	3,859.833	2,339.086	1,520.746
Government of the Punjab	66	3,498.128	3,369.880	128.448
<b>Total</b>	<b>91</b>	<b>7,357.961</b>	<b>5,708.966</b>	<b>1,649.194</b>

Audit was of the view that in order to fetch more funds from government, inflated estimates were submitted by the SNGPL management resulting in release of extra funds than needed to complete the schemes. This was gross violation of approved SoP and guidelines issued by the Cabinet Division.

The matter was reported to the Management and PAO in November, 2018. During the DAC held on December 11, 2018 the SNGPL management explained that the utilization of the Government share is done in proportion to the company share which was limited due to budget constraints the schemes have to be sanctioned in two or more phases, initially supply main

and then distribution network. DAC directed the management to get the latest position verified from original record in respect of data of schemes provided originally.

During verification of record provided by management it was noticed that out of funds of Rs 7,749.27 million, Government share amounting to Rs 3,943.98 million was sanctioned leaving unsanctioned balance of Rs 3,805.30 million which was retained in SDGs accounts. The management did not provide the details sanctions in respect of schemes funded by Govt. of the Punjab. The management should have not been accepted the schemes beyond its capacity. Further, no priority in chronological order was maintained for sanction, initiation of work, approval of jobs, award / execution of work, commissioning / completion of the said schemes.

Audit recommends to sanction the remaining schemes in chronological order at the earliest or surrender the unspent funds in government account.

(OM 06 & 23- FAT-III)

### **3.2.3 Non-maintenance of separate books of accounts for SDGs programme**

According to Para-8 of Cabinet Division's Development Wing Notification No.F.7(2)(Dev)/2016 dated October 10, 2016, to ensure transparency and accountability, these companies will maintain separate books of accounts for the funds of this programme.

During Special Audit of SDGs Programme for the FYs 2016-17 & 2017-18, it was noticed that the executing agencies did not maintain the separate books of accounts as required under the guidelines issue by Cabinet Division. The management transferred the governments' share in the companies' bank account and thereafter booked the expenditure to the respective jobs under SDGs Programme without differentiating how much expenditure on the jobs was incurred from government or companies' funds.

Further, the management continued the previous practice of job coding and job cost accounting without any distinction for SDGs Programme.

Audit was of the view that due to non-maintenance of separate books of accounts for SDGs Programme, it could not be verified whether the expenses booked on each scheme was incurred from funds provided by the government or the company as per approved criteria.

The matter was reported to Management and PAO in November 2018 vide para 2.5.4 as item-ix but no specific reply was furnished. During the DAC meeting held on December 11, 2018 the SNGPL management did not furnish the specific reply. DAC directed the management to furnish the comprehensive reply. No further progress was reported till finalization of the report.

Audit recommends to implement DAC directive and maintain separate books of accounts for SDGs Programme.

(OM 26 - FAT-III)

### **3.2.4 Irregular allocation of funds to finance incomplete gas schemes under PWP-II Assignment Account - Rs 1,348.561 million**

According to Para 20 of Cabinet Division's Development Wing Notification No.F.7(2)(Dev)/2016 dated October 10, 2016 containing "Guidelines for Implementation of the Prime Minister's Global SDGs Achievement Programme", only new schemes would be executed under the programme and no past unfunded schemes would be included.

During Special Audit of SDGs Programme for the FYs 2016-17 & 2017-18, it was observed that out of total, an amount of Rs 870.873 million was allocated to finance 42 incomplete gas schemes under PWP-II. In addition to this, funds of Rs 477.688 million were allocated for three old schemes relating to Mansehra and Attock in violation of Cabinet Division guidelines.

Audit was of the view that funds should have been allocated for new schemes to provide gas supply in gas deficient areas in accordance with the above-mentioned guidelines for implementation of SDGs Programme. However, the management violated the guidelines by allocating funds to finance incomplete gas schemes under PWP-II assignment account.

The matter was reported to the management in November, 2018. During the DAC meeting held on December 11, 2018 SNGPL management explained that the allocation for ongoing schemes out of SDG funds were received under the directives of Cabinet Division. DAC decided that the matter may be taken up with the Federal Government for justification. No further progress was reported till finalization of the report.

Audit recommends to implement the DAC directives.

(OM 07 FAT-III)

### **3.2.5 Non-sanctioning of gas schemes despite receipt of funds under SDGs Programme - Rs 1,074.89 million**

According to Para 10 of Cabinet Division's Development Wing Notification No.F.7(2)(Dev)/2016 dated October 10, 2016, the executing agencies shall ensure that the schemes are completed within the stipulated time and the approved cost.

During Special Audit of SDGs Programme for the FYs 2016-17 & 2017-18, it was observed that SNGPL management received funds of Rs 1,074.893 million from Federal Government and Government of the Punjab but the gas schemes against which these funds were received were never sanctioned by the management during the FYs 2016-17 and 2017-18 (details in **Annexure-A**). As a result, these schemes remained unattended. Further, no criteria was observed for prioritizing the sequence in which these schemes were to be sanctioned.

The matter was reported to the management in November, 2018. The management in its reply dated December 10, 2018 intimated that amount could not be sanctioned due to budgetary constraints and limited approval of

development budget from Company's own funds by OGRA. Audit was of the view that OGRA approved an amount of Rs 51,738 million for development budget whereas only Rs 30,124 million were required for SDGs schemes. Thus SNGPL management allocated only Rs 8,307.22 million for SDGs grant.

During the DAC meeting held on December 11, 2018 SNGPL management explained that because of extra ordinary quantum of work and limited budget approved by OGRA it was not possible to complete all the schemes in one year. However, as per routine practice schemes are executed in a phased manner. DAC decided that the matter may be taken up with the Federal Government either to get the appropriate budget allocated from the OGRA or surrender the unspent amount.

Audit recommends to implement DAC directives. Audit also recommends to justify selection of a few schemes for sanction and delaying the others.

(OM 02-FAT-III)

### **3.2.6 Non-initiation of work on sanctioned gas schemes despite receipt of funds under SDG Programme - Rs 785.740 million**

According to Para 8 of Cabinet Division's Development Wing Notification No.F.7(2)(Dev)/2016 dated October 10, 2016, the executing agencies shall ensure that the schemes are completed within the stipulated time and the approved cost.

During Special Audit of SDGs Programme for the FYs 2016-17 & 2017-18, it was observed that SNGPL management could not initiate in case of 17 schemes even after these had been sanctioned. However, the work against these schemes which was rather required to be completed within the financial year was not even initiated till finalization of this report (details in **Annexure-B**).

Audit was of the view that after release of funds from the Government of the Punjab, work on approved gas schemes should have

been started and completed within the financial year. This showed that the Divisional Commissioners or the PAO / Ministry of Energy (Petroleum Division) failed to monitor the execution of gas schemes. This was gross violation of approved SoP and guidelines issued by the Cabinet Division. Further, no criteria was observed for prioritizing the sequence in which these schemes were to be initiated.

The matter was reported to the management in November, 2018. During the DAC meeting held on December 11 2018, SNGPL management explained that due to extra ordinary quantum of work and limited budget approved by OGRA it was not possible to complete all the schemes in one year. However as per routine practice schemes are executed in a phased manner. DAC directed to take up the matter with the Federal Government either to get the appropriate budget allocated from the OGRA or surrender the unspent amount. Further, no priority in chronological order was maintained for sanction, initiation of work, approval of jobs, award / execution of work, commissioning / completion of the said schemes. No further progress was reported till finalization of the report.

Audit recommends to implement DAC directives. The responsibility may be fixed for not initiating the works on sanctioned gas schemes.

(OM 04 FAT-III)

### **3.2.7 Non-completion of jobs within stipulated time – Rs 8,637.046 million**

According to Para 13 of Cabinet Division's Development Wing Notification No.F.7(2)(Dev)/2016 dated October 10, 2016, the executing agencies shall ensure that the schemes are completed within the same year and the approved cost. Further, according to work orders issued to contractors, jobs were required to be completed within three months of issuance of material.

During Special Audit of SDGs Programme for the FYs 2016-17 & 2017-18, it was observed that in 258 cases, the work on gas schemes having sanctioned amount of Rs 8,637.046 million (**Annexure-C**) was initiated. In



most of the cases work orders and material were also issued but the management failed to get the work orders executed by the contractors to complete the jobs despite lapse of stipulated time. Moreover, the management did not insert the clause for penalty in case of delay in execution by the contractors.

Audit was of the view that management did not monitor the execution of work orders involving Rs 8,637.045 million, due to which respective jobs could not be completed within stipulated time.

The matter was reported to the management in November, 2018. The management replied that 160 jobs were in progress whereas 43 jobs were completed. However, as per statement provided by management during verification, a list of 379 jobs was provided out of which 265 jobs were in progress. During the DAC meeting held on December 11, 2018 the SNGPL management explained that the minimum time required for procurement of material was about 4-5 months for local and one year for imported material. Moreover, progress suffered for six months due to election process in the current year. DAC directed the management to get the facts verified in support of their contention and expedite the process of completion of the jobs.

During verification no plausible reason for delay in completion of jobs was furnished by the management as schemes are still incomplete even after ban was lifted after the elections.

Audit recommends to implement the DAC directives and complete the jobs expeditiously besides fixing responsibility.

### **3.2.8 Non-approval of job requests sent by SNGPL regional distribution offices - Rs 1,228.050 million**

According to Para 8 of Cabinet Division's Development Wing Notification No.F.7(2)(Dev)/2016 dated October 10, 2016 the funds shall be transferred to the special drawing account of the respective Divisional Commissioners for the execution of schemes. PAOs of Ministries of Water

& Power and Petroleum & Natural Resources would transfer funds to the accounts of the DISCOs and Gas Companies. In order to ensure transparency and accountability, these companies will maintain separate books of accounts for the funds of this programme. Further, according to Para-14 of Cabinet Division's Development Wing Notification *ibid*, the executing agencies shall ensure that the schemes are completed within the stipulated time and the approved cost.

During Special Audit of SDGs Programme for the FYs 2016-17 & 2017-18, it was observed that in Faisalabad, Multan, Sialkot and Bahawalpur Regional Offices, SNGPL local management raised job requests to SNGPL Head Office for approval of 46 gas schemes. The job requests were however, not approved by the Head Office despite lapse of completion time due to which development work worth Rs 1,228.050 million could not be started. This was despite the fact that SNGPL management had already received funds from the Government of the Punjab. The gas schemes were related to distribution office and inaction of the SNGPL Head Office was unreasonable and unjustifiable.

Audit was of the view that after release of funds from Government of Punjab, job should have been approved by the SNGPL Head Office so that assigned gas schemes could be completed within the financial year. The inaction on the part of SNGPL management was gross violation of approved SoP and guidelines issued by the Cabinet Division leading to non-utilization of the funds valuing Rs 1,228.05 million. Further, no criteria was observed for prioritizing the sequence in which these schemes were to be sent for approval by the Regional Offices.

The matter was reported to the management in November, 2018. During the DAC meeting held on December 11, 2018 the SNGPL management explained that the SNGPL cannot take up the schemes due to limited availability of budget by the OGRA. DAC directed to take up the matter with the Federal Government either to get the appropriate budget allocated from the OGRA or surrender the unspent amount.

Audit recommends to implement the DAC directives besides fixing of responsibility and completing these gas schemes expeditiously. Further, in future the Government funds should not be received till availability of Companies' fund for the proposed projects.

(OM 10 FAT-III)

### **3.2.9 Preparation of inflated estimates resulting in undue retention of government funds - Rs 548.879 million**

According to Paras 13 &14 of Cabinet Division's Development Wing Notification No.F.7(2)(Dev)/2016 dated October 10, 2016, savings against the schemes completed shall be surrendered immediately on completion of the scheme without waiting closing of the financial year. Additional funding / throw forward will not be permissible.

During Special Audit of SDGs Programme for the FYs 2016-17 & 2017-18, it was observed that SNGPL management completed 32 jobs by incurring less expenditure than the amount sanctioned (the expenditure incurred was in the range of 25% to 50% of the amount sanctioned). The savings from government share amounting to Rs 548.879 million (**Annexure-D**) were also not surrendered till finalization of the report. The management over-estimated the costs which inflated the governments' share in order to fetch more funds from the government.

Audit was of the view that this resulted in undue retention of Rs 548.879 million of government funds in contravention to guidelines.

The matter was reported to the management in November, 2018. During the DAC meeting held on December 11, 2018 the SNGPL management explained that schemes are estimated on standard cost and actual cost thereagainst spent on the basis of physical laying condition and any saving in standalone jobs cannot be declared as final savings until the completion of whole scheme in all physical and financial aspects. DAC directed to submit revised reply giving specific details about the jobs identified by the Audit.

The management in its revised reply dated December 17, 2018 stated that in these jobs government share was only 23% while remaining 77% was the company's share. The reply was not tenable being irrelevant as no specific details were provided in support of their contention by the management.

Audit recommends to fix responsibility for over-estimation and undue retention of government funds.

### **3.2.10 Excessive government share in amount sanctioned for gas schemes - Rs 532.432 million**

According to Ministry of Petroleum & Natural Resources, Directorate General Gas No.NG(I)-16(91)/2005-Imp dated June 2, 2005, the criteria approved by CCE in 1992 which was subsequently revised by the ECC of the Cabinet vide decision dated July 15, 2008 for supply of gas to new areas/ towns shall be as follows:

<b>Sr. No.</b>	<b>Name of Province</b>	<b>Capital cost per consumer(Rs )</b>	<b>Distance from Gas Field (KM)</b>
1.	Punjab and Sindh	54,000	13.5
2.	KP & Azad Kashmir	108,000	27
3.	Baluchistan	270,000	67.5
4.	Household Basis	60%	

The portion of funds equal to the requirement over the criteria specified for undertaking the schemes shall be provided by Federal Government whereas cost within criteria shall be borne by SNGPL from its own resources.

During Special Audit of SDGs Programme for the FYs 2016-17 & 2017-18, it was observed that the Government approved 25 gas schemes (by releasing the funds of Rs 1,733.713 million) with the following total project cost:

(Rs in million)

Shares in Funds Provided			Shares in Sanctions by SNGPL		
Total Cost	Company Share	Government Share	Total Cost	Company share	Government Share
A= (B+C)	B	C	D=(E+F)	E	F
7,736.801	6,270.776	1,466.025	5,001.659	3,535.634	1,466.025

While sanctioning these gas schemes, the SNGPL management decreased the total project cost and the company's share. However, the government share was kept the same equal to an amount of Rs 1,466.025 million against its due share of Rs 933.592 million as per approved criteria shown to government at the time of getting approval of funds. By ignoring the approved criteria, the SNGPL management included excess government share of Rs 532.432 million (1466.025-933.592) while sanctioning the schemes.

Audit was of the view that funds by company and government in total amount sanctioned should be allocated as per approved criteria while cost within criteria should be borne by the company. Less allocation of company share resulted in increased government share which was in contravention of approved criteria.

The matter was reported to the management in November, 2018. During DAC meeting held on December 11, 2018, the SNGPL management explained that amount released of Rs 1,733.713 million in 31 gas schemes which was equal to amount released for these projects. SNGPL management sanctioned an amount of Rs 5,528.509 million which comprised Govt. share of Rs 970.161 million. DAC directed the management to get the above facts verified from audit. During verification it transpired that the management sanctioned less amount by Rs 763.552 million (1,733.713 - 970.161).

Audit recommends to surrender the excess share of the government.

(OM 21 & 22 FAT-III)

### **3.2.11 Non-finalization of completion reports of commissioned jobs - Rs 417.824 million**

According to Para 13.5.2 of Accounts Manual a completion report for each job shall also be sent to the Finance Department within fifteen (15) days of completion of jobs.

During Special Audit of SDGs Programme for the FYs 2016-17 & 2017-18, it was observed that the management commissioned 47 jobs involving Rs 755.478 million. The completion report was however not finalized by the management within stipulated time. The commissioning of the pipeline should have been done after completion of the job in all respects so that desired economic benefits could be fetched from the scheme.

Audit was of the view that due to lack of proper monitoring and noncompliance of rules completion reports of commissioned jobs were not prepared.

The matter was reported to the management in November, 2018. The DAC in its meeting held on December 11, 2018 directed the SNGPL management to provide completion reports along with FPCs and work orders to audit. The management provided copies of 17 job completion reports costing Rs 337.654 million. Thus the JCR in 30 jobs costing Rs 417.824 million were still awaited. The amount of the para reduced to Rs 417.824 million.

Audit recommends to finalize the completion reports of the remaining jobs at the earliest besides fixing responsibility for delay.

(OM 13 FAT-III)

### **3.2.12 Non-initiation of job requests of gas schemes under SDGs Programme – Rs 155.981 million**

According to Para 14 of Notification No. F.7(2)(Dev)/2016 dated October 10, 2016 the executing agencies shall ensure that the schemes are completed within the stipulated time and the approved cost.

During Special Audit of SDGs Programme for the FYs 2016-17 & 2017-18, it was observed that the management of distribution offices did not submit job requests relating to 11 gas schemes to Head Office for approval despite release of funds from the Government of the Punjab through Commissioners. It was worth-mentioning that in ten gas schemes no laying of main pipelines by Project Department was involved and in one gas scheme main pipeline was laid & commissioned. Therefore, the distribution offices were not justified to defer the gas supply in these gas schemes.

Audit was of the view that lack of monitoring by Head Office resulted in non-initiation of process by the distribution Offices in 11 schemes valuing Rs 155.981 million. This inaction was gross violation of the approved SOP and guidelines issued by the Cabinet Division. Further, no criteria was observed for prioritizing the sequence in which these schemes were to be initiated.

The matter was reported to the management in November, 2018. During the DAC meeting held on December 11, 2018 the SNGPL management stated that due to budgetary constraints of company's own resources the job requests could not be approved. DAC directed the management to sort out the issue in consultation with concerned authorities. No further progress was reported till finalization of the report.

Audit recommends to follow the directives of DAC, besides fixing of responsibility and ensuring the completion of the gas schemes expeditiously.  
(OM 09 FAT-III)

### **3.2.13 Undue favour to the contractor by not deducting the retention money from FPCs - Rs 16.243 million**

According to Para 27 of General Terms and Conditions of the tender documents, retention money will be held from FPC @ 5% of gross value of work done as retention money excluding FPC of casual labour.

During Special Audit of SDGs Programme for the FYs 2016-17 & 2017-18, it was observed that management did not deduct retention money of Rs 29.156 million in 243 cases from the PPCs / FPCs in contravention of condition of tender documents.

Audit was of the view that undue favour was granted by the management by non-deducting the retention money as per general terms and conditions of the contract awarded to the contractors till successful completion of maintenance period.

The matter was reported to the management in November, 2018. During the DAC meeting held on December 11 2018, the SNGPL management explained that the mandatory retention money was being deducted in all the processed FPCs. However, retention money was not required to be deducted in the PPCs as per policy of the company. DAC directed to get the stated facts verified from audit.

During verification it was observed that in 107 cases either retention money was deducted or final payments were not processed so far. For remaining 136 cases the management contended that either performance bonds were received instead of retention money or tendering process was not undertaken. Hence retention money was not required to be deducted. The management contention was not tenable because retention money was to be deducted as per general condition No.27 of the tender document whereas performance bond was to be obtained under Clause-12 of the same document. Moreover, tendering process was required to be followed as per PPRA Rules.

Audit recommends to justify non-observance of PPRA Rules besides fixing responsibility for the lapse.

(OM 14 FAT-III/V & OM 36 FAT-IV)



### 3.2.14 Non-inclusion of clauses regarding completion period and liquidated damages in bid documents - Rs 3.569 million

As per Rule 23(1&2) of PPRA rules, 2004, procuring agencies shall formulate precise and unambiguous bidding documents that shall include delivery time or completion schedule. Further, as per standard bid documents available at PPRA site, there must be a clause of liquidated damages in case of delay.

During Special Audit of SDGs Programme for the financial years 2016-18, it was observed that SSGC management invited sealed bids for ditching / backfilling and allied activities works relating to supply of gas to various villages of district Jaffarabad. Works were awarded to the lowest bidders but completion period of work as well as the clause of liquidated damages were not mentioned in bid documents in the following schemes:

Tender inquiry No.	Area of work	Amount of contract Rs	Date of agreement	Successful contractor
8141	Manji Khan Jamali, Mohabat Shakh	409,440	14.10.2017	Thirty Enterprises
8142	Goth Jumma Khan Rind, Tehsil Gandakha	286,310	22.10.2017	Taj Muhammad Khoso
8143	Goth Haji Lal Khan Wadhani Khosa, Usta Road	312,436	22.10.2017	-do-
8144	New Jamali House, Rujhan Jamali, Usta Muhammad	193,046	22.10.2017	-do-
8145	Goth Ali Hassan Magsi, Mohabat Shakh	574,960	14.11.2017	-do-
8149	Goth Mumtaz Ali Jamali, Tehsil Gandakha	150,900	22.10.2017	-do-
8194	Goth Gharib Abad Jamali, Usta Muhammad	856,450	22.10.2017	-do-
8197	Goth Saifullah Jamali, Mohabat Shakh	785,154	22.10.2017	-do-
<b>Total</b>		<b>3,568,696</b>		

Audit was of the view that non-inclusion of completion period of work and liquidated damage clauses in bid documents for work valuing Rs 3.569 million was in contravention of rules which resulted in misprocurement.

The matter was reported to the management in November, 2018. DAC meeting was held on December 11, 2018. After hearing the view point of SSGC, the DAC settled the para subject to verification of record. No record was produced till finalization of the report.

Audit recommends to provide the justification for non-inclusion of Liquidated Damages clause in the agreements.

(Para 4.1.7-K)

### **3.2.15 Excessive booking of construction cost overheads - Rs 376.343 million**

According to Para 15 of Cabinet Division's Development Wing Notification No.F.7(2)(Dev)/2016 dated October 10, 2016, no administrative overheads shall be charged by any agency for execution of the SDGs schemes.

During Special Audit of SDGs Programme for the FYs 2016-17 & 2017-18, it was observed that in 89 Jobs, management included excessively high construction cost overheads of Rs 376.343 million (almost equal to material cost and up to 29% of total expenditure) in expenditure booked in contravention of guidelines above. Further, in pipe laying work at distribution level, no major construction work was involved. Therefore, there was no justification for booking such a huge expenditure on construction overheads.

Audit was of the view that noncompliance with laid down criteria resulted in excessive costs of development schemes.

The matter was reported to the management in November, 2018. During the DAC meeting held on December 11, 2018 the SNGPL management explained that these overhead constituted attributable cost of departmental services towards development activities which did not include any administrative overhead. DAC directed the management to provide the detailed working of construction cost overheads for verification.

During verification, it was observed that the costs included in construction overheads were booking of depreciation, transportation charges, travelling, stationery and postage, security expenses, rent and rates, professional expenses, IAS-19 accrual for pensionary benefits and free gas facility. These expenses were not related to construction, therefore not justified to be considered construction overheads.

Audit recommends to take corrective action for reversal of booking of overheads to Jobs under SDGs Programme besides surrendering the amounts to the governments.

(OM 16 FAT-III, OM 23 & 35 FAT-IV & OM 10 FAT-V)

### **3.2.16 Booking of inadmissible expenses against SDGs jobs - Rs 469.241 million**

According to Para 15 of Cabinet Division's Development Wing Notification No.F.7(2)(Dev)/2016 dated October 10, 2016 expenditure shall not be incurred on purchase of equipment, vehicles, fixtures, salaries, printing of diaries / calendars / banners, holding of official meetings and dinners/ parties etc.

During Special Audit of SDGs Programme for the FYs 2016-17 & 2017-18, it was observed that the SNGPL management spent an amount of Rs 469.241 million (**Annexure-E**) on expenses which were inadmissible as per above guidelines, namely salaries, pay of executive & subordinate staff, salaries / wages of casual staff, TA / DA expenses, advertisement, cost of hired vehicles, rent of office building & other expenses related to vehicles, depreciation and other expenses / other administrative overheads to approved Jobs.

Audit was of the view that undue overheads amounting to Rs 469.241 million were included in the cost of gas scheme in contravention to guidelines issued by the Cabinet Division. Due to irregular inclusion of inadmissible expenses, the expenditure of these schemes increased by that extent.

The matter was reported to the management in November, 2018. During the DAC meeting held on December 11, 2018 the SNGPL management explained that these overhead constitutes attributable cost of departmental services towards development activities which do not include any administrative overhead. DAC directed the management to provide the detailed working of construction cost overheads for verification.

During verification the facts mentioned in the para i.e. depreciation, transportation charges, travelling, stationery and postage, security expenses, rent of building and accrual for pensionary benefits were booked against SDGs jobs in violation of guidelines.

Audit recommends to take corrective action for reversal of booking of inadmissible expenses to the jobs under SDGs Programme.

### **3.2.17 Excess capitalization of jobs due to over-booking of contractor payment - Rs 156.344 million**

According to Rule-5 of Corporate Governance Rules 2013 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 Special Audit of SDGs Programme for the FYs 2016-17 & 2017-18, it was observed that in 13 schemes the SNGPL management booked expenditure of Rs 171.646 million (**Annexure-F**) on account of contract payments on accrual basis at the time of annual closing of accounts.

It was observed that the bookings were made without mentioning contractors' name and work order numbers and dates. Since no reference is mentioned, therefore, linking the accruals at the time of actual payments was not possible. This resulted in higher booking to jobs and resultant over-capitalization.

Audit was of the view that management failed to exercise due care in implementing internal controls which resulted in excess capitalization of jobs by Rs 171.646 million.

The matter was reported to the management in November, 2018. During the DAC meeting held on December 11, 2018 SNGPL management explained that where FPCs are not prepared at the close of financial year, accruals are booked on the basis of estimation / work order. However, contract payment was actualized on the basis of processing of final payment. DAC directed the management to provide the requisite record in support of above contention to audit for verification. During verification the documents provided by the management disclosed that observation was based on facts except an amount of Rs 15.302 million, thus the para was reduced to Rs 156.342 million.

Audit recommends that all expenditure should be booked with complete referencing and documentary evidence.

### **3.2.18 Less-booking of material cost to completed jobs - Rs 186.327 million**

According to Para 13 of Cabinet Division's Development Wing Notification No F.7(2)(Dev)/2016 dated October 10, 2016, the executing agencies shall ensure that the schemes are completed within the same year and the approved cost. Further, according to Para 8.4.1.4 of Accounting Manual, comparative statements showing actual costs and budgets will be regularly sent to the General Manager (Projects) giving up-to-date position, variances, if any will be pointed out for necessary timely action.

During Special Audit of SDGs Programme for the FYs 2016-17 & 2017-18, it was observed that the material cost for 41 jobs was estimated to be Rs 325.712 million by the SNGPL management. However, when the jobs were completed, the actual cost of material in these jobs came out to be Rs 139.385 million which was only 43% of the estimates. Thus there was over-estimation of Rs 186.327 million.

Audit was of the view that management has made exaggerated estimates for material costs to fetch more funds from the government.

The matter was reported to the management in November, 2018. During the DAC meeting held on December 11, 2018 SNGPL management explained that schemes are estimated on standard unit cost and actual cost thereagainst was spent on the basis of physical laying condition and any saving in standalone jobs cannot be declared as final savings until the completion of whole scheme in all physical and financial aspects. DAC directed to provide the record for verification in support of above contention to audit. The management failed to establish their stance during verification process.

Audit recommends to improve the system for preparation of estimates besides fixing responsibility for exaggerated estimates.

(OM 18 FAT-III)

### **3.2.19 Booking of expenses after finalization of job completion reports - Rs 30.934 million**

According to Para 13.7.6.5.8 of Accounts Manual of SNGPL, a completion report shall be prepared for each job within one month of its completion and shall be a prerequisite for closing of all jobs. The concerned Area Accountant shall also maintain a memorandum record including document references/ voucher wise details of all the expenses processed by him in respect of a recoverable job. A certificate to the effect that no further cost will be incurred in respect of the concerned job number shall be given. The total cost after due reconciliation, shall be compared with the amount

received in advance from the outside party and the balance shall be returned to or recovered from the concerned party.

During Special Audit of SDGs Programme for the FYs 2016-17 & 2017-18, it was observed that the SNGPL booked material cost and other expenditure to completed jobs even after finalization of Job Completion Reports (JCRs). This was evident from comparison between Job summaries and JCRs. Job summaries show greater expenditure than mentioned in JCRs which showed expenditure was booked to jobs even after issuance of JCR. This resulted in undue increase in the job cost and consequent reduction in savings. Details are as follows:

(Rs in million)

Job #	Cost as per JCR	Date of JCR	Cost as per Job summary (Oracle) as on 18.10.2018	Booking after finalization of JCR
18/35/0491-30	14.70	03.07.2018	31.305	16.605
18/35/0487-30	6.648	16.04.2018	13.240	6.592
18/35/0489-12	2.628	27.06.2018	4.272	1.644
18/35/0489-30	9.912	12.07.2018	16.005	6.093
<b>Total</b>	<b>33.888</b>		<b>64.822</b>	<b>30.934</b>

Audit was of the view that booking of expenditure to completed jobs after approval of JCR resulted in decreased savings.

The matter was reported to the management in November, 2018. During the DAC meeting held on December 11, 2018 SNGPL management explained that as per company procedures, processing of FPCs were subject to finalization of completion report. Hence its booking appears after preparation of completion report. Audit was of the view that all the expenses should have been booked before completion of job. DAC directed the management to improve the prescribed procedure. No further progress was reported till finalization of the report.

Audit recommends to implement the DAC directives.

(OM 20 FAT-III)

### **3.2.20 Less deduction of withholding Income Tax - Rs 12.722 million**

According to Section 153 of Income Tax Ordinance, 2001, every prescribed person making a payment in full or part including a payment by way of advance to a resident person (b) for the rendering of or providing of services; (c) on the execution of a contract, but not including a contract for the sale of goods or the rendering of or providing services, shall, at the time of making the payment, deduct tax from the gross amount payable. (Including sales tax, if any) at the rate specified in Division III of Part III of the First Schedule. The rate of tax to be deducted from a payment referred to in clause (b) of sub-section (1) of section 153 shall be, in any other case, 10% of the gross amount payable, if the person was a filer and 17.5% if the person was a non-filer.

During Special Audit of SDGs Programme for the FYs 2016-17 & 2017-18, it was observed that the contractors hired by SNGPL for pipe laying were providing services and therefore should come under Section 153(1)(b). However, the management deducted withholding tax @ 7.5% by applying Clause (c) of section 153 of the Ordinance instead of 10% under Clause (b) of same section. This resulted in short deduction of withholding tax amounting to Rs 12.722 million.

Audit was of the view that the contractors provided services for which management was required to deduct withholding tax @ 10 % instead of 7.5%.

The matter was reported to the management in November, 2018. During the DAC meeting held on December 11, 2018 management explained that withholding tax was being deducted rightly under section 153, sub section-1 part-c being contractual execution of work as this does not fall under the services defined in above section. Audit was of the view that the said work falls under section 153(1)(b) as management had paid Provincial Sales Tax on services on the said payment. DAC directed the management to take up the matter with the concerned tax authorities for clarification. No further progress was reported till finalization of the report.



Audit recommends to implement the DAC directive.

(OM 30 FAT-III, OM 17 FAT-IV & OM 15 FAT-V)

### **3.2.21 Non-recovery of liquidated damages from contractors - Rs 1.240 million**

Clause 4 of Section-V (Special Conditions of Contract) of bid document envisages that the entire work was to be completed within nine months including fifteen days mobilization period from the issuance of letter to proceed. Further, Clause 5 of the same Section envisages that the rate of liquidated damages shall be 0.1% of the final contract value for each day of delay and limited to a maximum of 10% of the final contract value.

During Special Audit of SDGs Programme for the financial years 2016-18, it was observed that a contract / work order was awarded on November 13, 2017 for ditching / backfilling & allied activities works at village Enayat Ullah Karez which was to be completed within three months. However, it was noticed that work could not be completed till finalization of this report.

Audit was of the view that the management should impose liquidated damages amounting to Rs 1.240 million @ 10% of the final contract value of Rs 12.400 million due to delay in completion of work.

The matter was reported to the management in November, 2018. During the DAC meeting held on December 11, 2018 SSGC explained that the delay in completion of the schemes was due to uncontrollable factor and not on the part of the contractor. Therefore, imposition of the liquidity damages was not involved. DAC directed SSGC management to take up the matter with the government for early completion or refund of funds released by the Cabinet Division. No further progress was reported till finalization of the report.

Audit recommends to implement the decisions of the DAC.

(Para 4.1.6-K)

### **3.2.22 Payment to contractor on excess quantity of work - Rs 4.84 million**

According to payment procedure available in Accounts Manual of SNGPL, item quantities and rates claimed in FPC / PPC shall be checked with the work orders, daily site report / schedule of work and approved standard rates etc.

During Special Audit of SDGs Programme for the FYs 2016-17 & 2017-18, it was observed that SNGPL awarded Work Orders for ditching & backfilling and laying of pipeline of different measurements to different contractors. It was observed that the management allowed payments in excess to the agreed rates and approved quantities. Quantities of work done should not have increased from work assigned through work orders unless prior approval of competent authority for the increased quantity was sought. However, no such approval of extra quantity of work was obtained. It was further noticed that extra quantity was claimed in items having higher rates. This resulted in excess payment of Rs 5.305 million (**Annexure-G**) to contractors.

Audit was of the view that due to weak internal control excess payments were made for Rs 5.305 million.

The matter was reported to the management in November, 2018. During the DAC meeting held on December 11, 2018 management explained that there was no such excess payment and work orders were issued within the sanctioned meterage. DAC directed to provide the record for verification.

During verification an amount of Rs 0.465 million was verified whereas in remaining jobs there existed excess quantities for which approvals were granted after submission / finalization of PPCs / FPCs. These approval were required to be given prior to execution of work involving excess quantities than work orders. In two cases relating to

Islamabad project camp office FPCs showed that pipelines were laid in excess quantity than mentioned in work orders.

Audit recommends fixing responsibility for the extra quantity of work without the prior approval of the authority and recover the excess payments.

### **3.2.23 Inequitable development of gas schemes under SDGs Programme**

According to the Cabinet Division's Development Wing issued Notification No.F.7(2)(Dev)/2016 dated October 10, 2016 for achievement of Global Sustainable Development Goals (Goal 7), SDGs Achievement Programme was introduced for provisioning of development opportunities in deficient areas. Further, according to Para 21 of Notification ibid, the funds shall be packaged division / district wise.

During Special Audit of SDGs Programme for the FYs 2016-17 & 2017-18, it was observed that development of gas schemes was not equitably packaged division / district wise as most of the gas schemes funded from Federal Government were approved for five districts whereas gas schemes were not developed for gas deficient areas of various districts of the provinces. Division / district wise details of funds released is given in **Annexure-H**.

Audit was of the view that the allocation of funds remained inequitable for attainment of SDG no. 7.

The matter was reported to the management in November, 2018. During the DAC meeting held on December 11, 2018 SNGPL management explained that disbursement of funds to districts / constituencies was not the prerogative of SNGPL. Moreover five different sectors were approved under the SDGs programme and the honorable parliamentarians' prioritized the sectors. DAC directed the PAO to take up the matter with the Federal

Government for equitable allocation of funds disbursed under the SDGs programme. No further progress was reported till finalization of the report.

Audit recommends to implement the directives of the DAC in the light of guidelines issued by Cabinet Division.

(OM 33 FAT-III)

### **3.2.24 Non-launching of public awareness campaign**

According to the Cabinet Division's Development Wing issued Notification No. F.7(2)(Dev)/2016 dated October 10, 2016 SDGs Achievement Programme was introduced for provisioning of development opportunities in deficient areas by targeted intervention. Further, according to Para 2 & 3 of Notification *ibid*, at least 15 residents of an area or civil society organization will make a request for intervention. This request shall be forwarded to the concerned Divisional Commissioner or relevant executing agencies for processing. The Divisional Commissioner or relevant executing agencies will forward the request to the concerned executing agencies for technical feasibility and cost estimates. The proposal would then be submitted to the competent forum for approval.

During Special Audit of SDGs Programme for the FYs 2016-17 & 2017-18, it was observed that no effective public awareness campaign for "Prime Minister's Global Sustainable Development Goals (SDGs) Achievement Programme" was launched by the Federal as well as Provincial Governments. The SDGs Programme envisaged that civil society or resident of an area would make request for intervention and in the absence of media campaign, awareness of the SDGs Programme could not be developed. Due to this, most of the deficient areas remained ignored under the Programme and no gas schemes were approved for these areas.

Audit was of the view that due to non-launching of effective public awareness campaign, schemes could not be developed for most of the deficient areas.

The matter was reported to the management in November, 2018. During the DAC meeting held on December 11, 2018 SNGPL management explained that as per guideline of SDGs programme the matter was not the prerogative of SNGPL. It was not the duty of executing agency. Audit was of the view that public awareness campaign should have been launched for effective and equitable implementation of the programme. DAC directed the PAO to take appropriate decision on the subject. No further progress was reported till finalization of the report.

Audit recommends to implement the DAC decision in order to enhance public participation, especially from deprived areas.

(OM 27 FAT-III)

### **3.2.25 Non-implementation of guidelines issued by the Cabinet Division**

According to Cabinet Division's Development Wing Notification No. F.7(2)(Dev)/ 2016 dated October 10, 2016, Divisional Commissioners / executing agencies shall be responsible to ensure the quality of work and furnish to the Cabinet Division, Islamabad monthly progress on physical work and utilization of funds, the PAO shall prepare completion certificates on PC-IV proforma within three months of the project completion sending copies to Cabinet Division, Planning Development & Reform Division and Finance Division. Further, the funds disbursed and utilized on the schemes under the Programme shall be subject to normal accounting and audit procedures of the government of Pakistan and adjustment accounts / audited statements of the schemes shall be furnished by the respective PAOs.

During Special Audit of SDGs Programme for the FYs 2016-17 & 2017-18, Audit demanded auditable record from the DG Gas working under Ministry of Energy (Petroleum Division) vide letter dated October 2, 2018 regarding status of physical work and utilization of funds, completion reports / PC-IV, adjustment accounts / audited statements of the schemes completed. DG Gas forwarded the audit requests to the companies which showed that no such record / information was available with the DG Gas and monitoring of gas schemes was not being done. The observations of

Audit regarding non-implementation of guidelines issued by the Cabinet Division were as follow:

- i) No scheme was fully complete. Five gas schemes were completed more than 75% (ranging from 76% to 97%) out of total 44 gas schemes funded through Federal Government;
- ii) In six gas schemes funded through Federal Government, work was not started and jobs were not opened by the SNGPL even after the lapse of completion period;
- iii) In eight gas schemes pipe laying work was started but completed only up to less than 20% despite lapse of completion period;
- iv) In remaining gas schemes, work was started but only partially completed (completion remained less between 20% to 75%);
- v) Status regarding gas schemes funded by the Government of the Punjab through Divisional Commissioners was not available with DG Gas meaning thereby that these gas schemes were not monitored by the PAO. Moreover, Divisional Commissioners were only monitoring gas schemes funded by the Government of the Punjab and not by the Federal Government;
- vi) In 17 gas schemes funded by the Government of the Punjab, work was not initiated and jobs were not opened even after lapse of completion period;
- vii) No completion report had since been furnished to DG Gas (PAO) by SNGPL / SSGC. Hence no PC-IV could be prepared for onward submission to Cabinet Division, Planning Development & Reform Division and Finance Division;
- viii) Similarly, adjustment accounts / audited statements of the schemes was not furnished to PAO for onward submission to Cabinet Division.

Audit was of the view that non-monitoring of schemes in contravention to guidelines issued by the Cabinet Division resulted in non-

completion of gas schemes and objective of provisioning of development opportunities in deficient areas could not be achieved.

The matter was reported to the management in November, 2018. The DAC meeting held on December 11, 2018. It was decided that the matter would be taken up with the Chief Commissioners / DGs concerned for submission of implementation status of the guidelines issued by the Cabinet Division as pointed out by Audit. No further progress was reported till finalization of the report.

Audit recommends to implement the decision of DAC, justify non-observance of guidelines issued by the Cabinet Division besides expediting the completion of gas schemes without further delay.

(OM 26 FAT-III)





## CHAPTER 4 FATA SECRETARIAT

### 4.1 INTRODUCTION

The Directorate General Audit (Federal Government) conducted Special Audit of the accounts of Prime Minister's Global SDGs Achievement Programme in October-November, 2018 with respect to FATA for the financial year 2017-18.

Following 07 entities executed 1,474 schemes in municipal sector related to SDGs involving an expenditure of Rs 1,361.261 million:

- i. Local Government & Rural Development Department Mohmand District (NA-36)
- ii. Local Government & Rural Development Department Kurram District (NA-37)
- iii. Local Government & Rural Development Department Orakzai District (NA-39)
- iv. Local Government & Rural Development Department South Waziristan District (NA-41 & 42)
- v. Local Government & Rural Development Department Bajaur District (NA-43 & 44)
- vi. Local Government & Rural Development Department Khyber District (NA-45 & 46)
- vii. Public Health Engineering Khyber District (NA-45 & 46)

Execution status of the programme is placed below:

(Rs in million)				
Financial Year	Total No. of Schemes approved	Total No. of Schemes executed	Final Budget Grant	Total Expenditure
2016-17	-	-	-	-
2017-18	1,474	1,473	1,437.088	1,361.261
<b>Total</b>	<b>1,474</b>	<b>1,473</b>	<b>1,437.088</b>	<b>1,361.261</b>

## 1.2 AUDIT FINDINGS AND RECOMMENDATIONS

### Irregularity and Non-Compliance

#### 4.2.1 Non-availability of vouched account - Rs 97.96 million

Section 14(2) of Auditor General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001 states that the officer in charge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with all reasonable expedition.

Management of Local Government & Rural Development Department Bajaur and Kurram District paid an amount of Rs 97.96 million to Chief Executive Officer TESCO HQ, Peshawar in the following SDGs Schemes during the financial year 2017-18.

(Rs in million)

S.No	Name of Department	Name of Scheme	Cheque No.	Estimated Cost
1	Local Government & Rural Development Department Bajaur District	Providing 50 KVA Transformers in NA-43	K-388408 dated May, 2018	3.00
2		Providing HT/LT Lines & Additional Transformers in Tehsil Salarzai NA-44		14.748
3		Providing HT/LT Lines & Additional Transformers in Tehsil Qazafi&GharShamozai NA-44		15.252
4		Providing 25 KVA Transformers in NA-43		15.00
5	Local Government & Rural development Department Kurram District	Purchase of LT/HT Poles, Transformers and its Installation	6277141, 6277142 & 6277143 dated 11.04.2018	49.960
<b>Total</b>				<b>97.96</b>

Audit observed that vouched account in support of expenditure was not available.

Audit is of the view that non-availability of record in support of expenditure of Rs 97.96 million was in violation of above rules.

Management replied that the concerned would be informed accordingly and the record would be produced to audit.

The management accepted the audit observation.

Audit recommends that vouched account may be provided to audit.

#### **4.2.2 Irregular allocation of funds for the projects - Rs 110.497 million**

Guideline No.02 for implementation of the Prime Minister's Global SDGs Achievement Programme vide Notification No.F.7(2)(Dev)/2016 dated 10.10.2016 issued by Cabinet Division (Development Wing) Islamabad states that at least 15 residents of an area or civil society organization will make a request for intervention. This request shall be forwarded to the concerned Divisional Commissioner or relevant executing agencies for processing.

TOR No.04 of the guidelines for execution of SDGs Schemes circulated by the Auditor General of Pakistan vide letter no. SAW/SPL/Per.Audit/F-8/PF-05/Vol-I/710 dated 26.09.2018 states that the funds should be allocated for the project for which the community had requested.

The management of Public Health & Engineering Department (PHED), FATA Division Peshawar awarded contracts of various projects against which expenditure of Rs 110.497 million was incurred during 2017-18. Details are provided in **Annexure-A**.

Audit observed that funds of Rs 110.497 million were allocated for these projects without any request from the community.

Audit is of the view that selection and execution of above projects without any request from the community was irregular.

The management replied that the subject PC-1s have been prepared on need basis, after consultation with elected members of the area and survey of the area. All the schemes approved in the PC-1 were fully justified and the problems of the deprived communities in shape of sanitation clean drinking water etc: would be resolved upto maximum extent.

The reply of the management was not acceptable as the guidelines for SDGs were quite clear regarding request of the community through applications and provisions of CNICs.

Audit recommends that inquiry should be conducted to fix responsibility for selection and execution of projects without any request from the community.

#### **4.2.3 Non-utilization/surrender of anticipated savings - Rs 26.210 million**

Guideline No.14 for implementation of the Prime Minister's Global SDGs Achievement Programme vide Notification No.F.7(2)(Dev)/2016 dated 10.10.2016 issued by Cabinet Division (Development Wing) Islamabad states that savings against the schemes completed shall be surrendered immediately on completion of the scheme without waiting for closing of the financial year.

Management of Local Government and Rural Development Department Mohmand District and PHE FATA Division Peshawar incurred a total expenditure of Rs 152.694 million against budget allocation of Rs 178.904 million from SDGs fund during the year 2017-18 as detailed below:

(Rs in million)

S.No	Name of Entity/Project I.D	Final Grant	Expenditure	Savings
1	Local Government & Rural Development Department Mohmand District /MG16F00027	80.00	77.823	2.177
2	PHE FATA Division Peshawar	98.904	74.871	24.033
<b>Total</b>		<b>178.904</b>	<b>152.694</b>	<b>26.21</b>

Audit observed that an amount of Rs 26.21 million remained unspent as savings which was required to be surrendered to the Government on or before 30.06.2018 as per guidelines of the Cabinet Division. However, the amount was not surrendered.

Management of LG&RDD Mohmand District replied that some of the 133 schemes were completed on work done basis whereas one scheme costing Rs 569,000 was not executed due to local dispute and its cost was also included in the above-mentioned amount. Management of PHE FATA Division Peshawar did not reply.

Reply was not acceptable as no documentary evidence in support of reply was provided by the LG&RDD Mohmand District.

Audit recommends that the unspent amount/balance may be deposited into government treasury forthwith.

#### **4.2.4 Irregular funds allocation for the projects – Rs 39.001 million**

Guideline No.02 for implementation of the Prime Minister's Global SDGs Achievement Programme vide Notification No.F.7(2)(Dev)/2016 dated 10.10.2016 issued by Cabinet Division (Development Wing) Islamabad states that at least 15 residents of an area or civil society organization will make a request for intervention. This request shall be forwarded to the concerned Divisional Commissioner or relevant executing agencies for processing.

Management of Local Government and Rural Development Department Khyber District awarded contracts of 23 projects against which expenditure of Rs 39.001 million was incurred till June, 2018. Details are provided in **Annexure-B**.

Audit observed that:

- i. The condition of request by 15 members of the civil society for selection of the projects was not fulfilled in the projects as shown in the table
- ii. The requests/applications were not routed through the concerned Divisional Commissioner or Deputy Commissioner.

Audit is of the view that selection and execution of above projects, having a total cost of Rs 39.001 million, without considering the Guidelines to ensure community participation.

Management replied that all the schemes were executed after receiving of applications from the community concerned and obtaining of their CNICs (available on record) and properly routing through Deputy Commissioner/PA Khyber District.

The reply was not accepted as no documentary evidence in support of reply was produced to audit.

Audit recommends that inquiry should be conducted to fix responsibility for irregular selection of projects.

#### **4.2.5 Irregular release of funds for past unfunded schemes - Rs 26.226 million**

Guideline No.20 for implementation of the Prime Minister's Global SDGs Achievement Programme vide Notification No.F.7(2)(Dev)/2016 dated 10.10.2016 issued by Cabinet Division (Development Wing)

Islamabad states that only new schemes would be executed under the programme and no past unfunded schemes would be included.

Management of Local Government and Rural Development Department Khyber District awarded contracts of 20 existing projects against which an expenditure of Rs 26.226 million was incurred during 2017-18. Details are provided in **Annexure-C**.

Audit observed that the past unfunded/existing schemes were executed with a total cost of Rs 26.226 million.

Audit is of the view that release of funds for the existing schemes was in violation of the guidelines for implementation of the Prime Minister's Global SDGs Achievement Programme.

Management replied that no past unfunded scheme was included in the PC-I. All the schemes executed were new.

The reply was not accepted as the existing / past unfunded schemes were executed out of SDGs fund in violation of the Cabinet Division's guidelines.

Audit recommends that either evidence in support of reply may be produced for verification or responsibility may be fixed for the irregularity.

#### **4.2.6 Lapse due to non-cashment of cheques – Rs 27.276 million**

According to letter No. 240-47/ADLG & RDD (B) dated 12.10.2018 of the office of the Assistant Director, Local Government & Rural Development Department Bajaur, various cheques issued to different contractors remained un-cashed till 12.10.2018.

Management of Local Government & Rural Development Department Bajaur District issued various cheques amounting to Rs 27.276 million to different contractors under SDGs Schemes during Financial Year 2017-18. Details are as provided in **Annexure-D**.

Audit observed that the above cheques were neither cashed nor surrendered to Government.

Audit is of the view that due to non-presentation of issued cheques to the banks, the amount has been lapsed.

Management replied that the cheques were issued on 25.06.2018 and 26.06.2018 and were presented to bank but the management of bank refused to honor the same.

The reply was not satisfactory as the reason (s) for refusal of encashment was not provided. Furthermore, the cheques claimed were issued on 28.06.2018.

Audit recommends that responsibility may be fixed for the lapse of amount.

#### **4.2.7 Loss due to non-deduction of Income Tax - Rs 34.248 million**

Rule-153 of Income Tax Ordinance, 2001 states that every prescribed person making a payment in full or part including a payment by way of advance to a resident person or permanent establishment in Pakistan of a non-resident person on the execution of a contract shall at the time of making the payment, deduct tax from the gross amount payable.

Management of Local Government and Rural Development Department South Waziristan (**Annexure-E**) and Orakzai (**Annexure-F**) Districts paid Rs 488.990 million to different contractors on execution of different schemes during the year 2017-18.

Audit observed that contractors were either registered with Pakistan Engineering Council with business address in settled areas or failed to provide Income Tax Exemption Certificate but Income Tax @ 7% amounting to Rs 34.248 million was not deducted.

Audit is of the view that due to non-deduction of Income Tax from the contractor, the Government suffered a loss of Rs 34.248 million.



Management replied that all the contractors were from FATA and were exempted from deduction of Income Tax.

The management reply was not acceptable as no exemption certificate was produced for verification.

Audit recommends that recovery may be made under intimation to audit.

#### **4.2.8 Loss to Government due to non-imposition of Penalty - Rs 0.056 million**

Guideline No.13 for implementation of the Prime Minister's Global SDGs Achievement Programme vide Notification No.F.7(2)(Dev)/2016 dated 10.10.2016 issued by Cabinet Division (Development Wing) Islamabad states that the Schemes identified for a specified financial year shall be completed within the same year.

According to Clause 2 of contract agreement, "If the contractor fails to complete the work within stipulated period, penalty upto 10% of the estimated cost should be imposed on him".

Management of Local Government and Rural Development Department Mohmand District awarded contract for the work "Execution of 33 No DWSS in Mohmand Agency Halimzai-I area" S/H DWSS at Durba Khel to contractor M/S Malik Aurangzeb & Sons at an estimated cost of Rs. 0.569 million.

Audit observed that as per work order issued vide No.221-23/ADRD/SDGs/M, dated 19.04.2018, the work was required to be completed upto 25.06.2018. However, the work was not even started upto 31.10.2018. Audit further observed that neither extension in time limit was granted nor penalty @ 10% of the estimated cost amounting to Rs. 0.056 million was imposed.

Audit is of the view that due to non-imposition of penalty, the Government was put to a loss of Rs 0.056 million and the project deliverables were not achieved as per time line.

Management replied that the scheme in question could not be executed due to local dispute.

The reply was not accepted as no documentary evidence in support of it was provided to audit.

Audit recommends that the penalty amount of Rs 0.056 million may be recovered and credited to Government revenue.

#### **4.2.9 Unsigned / incomplete contract agreements - Rs 267.942 million**

According to Para 89 (c) of CPWD, where work or the supply of material to be given out on contract, the agreement with the contractor selected must be in writing and should be precisely and diffidently expressed, it should state the quantity and quality of the work to be done, the specifications to be complied with, the time within which the work is to be completed, the conditions to be observed, the security to be lodged, and the terms upon which the payments will be made and penalties exacted, with any provision necessary for safeguarding the property entrusted to the contractor.

Management of the Local Government and Rural Development Department Bajaur District awarded contracts of various schemes under SDGs to different contractors during Financial Year 2017-18. Details are provided in **Annexure-G**.

Audit observed that:

- i. The contract agreements for the schemes / projects were not signed by the competent authority.
- ii. The particulars of the contracts were not written in the contract agreement.

Audit is of the view that award of contracts and execution of above projects without fulfilling codal formalities was a serious negligence on the part of the management of Local Government & Rural Development Department Bajaur.

Management replied that needful would be done and provided to audit.

The reply was not accepted as the works have already been completed.

Audit recommends that contract agreements complete in all respects may be provided to audit besides fixing responsibility for the irregularity.

#### **4.2.10 Irregular execution of contract agreement without signing / approval of the competent authority – Rs 241.537 million**

Guideline No.10 for implementation of the Prime Minister's Global SDGs Achievement Programme vide Notification No. F.7(2)(Dev)/2016 dated 10.10.2016 issued by Cabinet Division (Development Wing) Islamabad states that physical work shall start after fulfilling all codal formalities.

Para 89 (a) of CPWA code, states that tender must be invited in the most open and public manner after the estimate has been technically sanctioned and the contract documents have been approved by an authority not lower than that empowered to accept the tender.

According to FATA delegation of financial powers rules, the Assistant Engineer Local Government Mohmand District is empowered to execute contract agreement upto Rs 2.00 million regarding developmental schemes

Management of Local Government and Rural Development Department Orakzai and Mohmand District awarded various schemes to different contractors at a total payment of Rs. 241.537 million to the

contractors during 2017-18. Details are provided in **Annexure-H** and **Annexure-I**.

Audit observed that expenditure of Rs 241.537 million was incurred without obtaining signatures of the parties concerned on contract agreement.

Audit is of the view that the execution of project without signature/ approval of the contract agreement may not be taken as legal at the expense of public money.

Management replied that all the agreements of Orakzai District were signed by the competent authority. However, management did not reply regarding schemes executed in Mohmand District.

The reply of the management was not accepted as no signed agreements were produced to audit.

Audit recommends that the expenditure in absence of contract agreements may be got regularized besides fixing responsibility against the persons at fault.

#### **4.2.11 Non-deduction of 8% Additional Security - Rs 1.107 million**

According to term and condition No. 6 of advertisement dated 15.03.2018, inviting tenders for various works by Executive Engineer PHE FATA Division Peshawar, the successful bidders quoting their rate 10% below on estimated cost shall have to deposit an additional security @ 8% of the estimated cost in shape of call deposit within 03 days in the name of Executive Engineer PHE FATA Division Peshawar. In case of failure, bid will be offered to 2<sup>nd</sup> lowest bidder.

Management of PHE FATA Division Peshawar awarded civil works contracts to the contractors for execution under SDGs during 2017-18 at a total contract cost of Rs 12.034 million.

Audit observed that 8% additional security amounting to Rs 1.107 million was not deducted from the contractors. Details are provided in **Annexure-J**.

Audit is of the view that non-deduction of 8% additional security puts the projects at risk.

Management replied that as per rule the bidder who quoted his rate 10% below on tender cost was required to deposit 8% additional security before issuing work-order. All the work orders had been issued after depositing 8% additional securities.

The reply was not acceptable as no evidence of 8% additional security deduction was provided.

Audit recommends that responsibility may be fixed for non-deduction of 8% additional security.

#### **4.2.12 Irregular expenditure without Technical Sanction - Rs 852.158 million**

Para 56 of CPWD Code states that a properly detailed estimate must be prepared for the sanction of competent authority. This sanction is known as the Technical Sanction to the Estimate and must be obtained before the commencement of work. As its name indicates, it amounts to no more than a guarantee that the proposals are structurally sound, and that the estimates are accurately calculated and based on adequate data.

According to FATA delegation of financial powers rules the Assistant Engineer Local Government is empowered to accord sanction upto Rs2.00 million regarding developmental schemes.

Management of Local Government and Rural Development Department Khyber District (**Annexure-K**), Bajaur District (**Annexure-L**), Kurram District (**Annexure-M**), South Waziristan District (**Annexure-N**), Mohmand District (**Annexure-O**) and PHE FATA Division Peshawar (**Annexure-P**) awarded contracts of 1,039 schemes to different contractors against which expenditure of Rs 852.158 million was incurred till June, 2018.

Audit observed that the expenditure of Rs 852.158 million was incurred without obtaining technical sanction of estimates from the competent authority before commencement of works and incurrence of expenditure. In the absence of technical sanction of estimates by the competent authority, the accuracy of the cost estimates could not be ascertained and the expenditure so incurred was held irregular by Audit.

Management replied that as all the schemes/sub projects included in the PC-I were within the competency of Assistant Engineer of the Local Government and Rural Development Department, therefore, no scheme had been executed without technical sanction. Copy of Technical Sanction would be shown to Audit.

The reply was not acceptable as no documentary evidence in support of the reply was produced to audit.

Audit recommends that technical sanction from the competent authority may be obtained and provided to audit.

#### **4.2.13 Overpayment due to excess claim for steel utilization - Rs 1.111 million**

Para-10(i) of GFR Vol-I provides that every public officer is expected to exercise the same vigilance in respect of expenditure incurred from public moneys as a person of ordinary prudence would exercise in respect of expenditure of his own money.

According to formula of steel utilization in RCC work applied in the Works & Services Department (Khyber Pakhtunkhwa and FATA), steel @ 1% is allowed in the RCC in foundation and RCC in super structure of ordinary buildings.

Management of PHE FATA Division Peshawar awarded various works under SDGs at a cost of Rs 3.640 million during 2017-18.

Audit observed that under various sub heads of the project, the contractors were allowed more than 1% of steel in the RCC works which resulted in a total overpayment of Rs 1.111 million (**Annexure-Q**).

Audit is of the view that the steel was utilized as per requirement but claimed in excess of the executed quantity.

Management replied that provision of mild-steel in PC-1 was provided on the basis of total quantity of R.C.C. work, used a rough formula not covering the actual design parameters. During execution of work mild-steel was always provided on the basis of actual load, design and as per site requirements. The difference occurred was always approved in the technical sanction of the said project work.

The reply was not accepted as the works have not yet been technically sanctioned and no design for utilization of steel was provided to audit. Furthermore, the Technical Staff prepare PC-Is having all the costs of a scheme after proper survey.

Audit recommends that overpayment may be recovered and deposited into government treasury.





## Annexures – Pakistan Public Works Department

### Annexure-A

Refer to Para 1.2.1

Irregular payments without approval of contract agreements -  
Rs 3,274.735 million

Sr. No.	Para No of AIR	Name of Division	Amount (Rs in million)
<b>Audit year 2017-18</b>			
1.	03	CCD-II Peshawar	251.40
2.	10	CCD Hyderabad	192.225
3.	09	CCD-II	56.176
4.	07	CCD-III Quetta	70.760
5.	14	CCD Sukkur	90.971
<b>Audit year 2018-19</b>			
6.	07	C.E &M Quetta	859.786
7.	10	CCD-II, Quetta	550.903
8.	13	CCD-I, Quetta	11.645
9.	03	CCD, Nawabshah	161.583
10.	13	CCD, Abbottabad	669.080
11.	02	CCD, Larkana	182.698
12.	06	CCD-VIII, Islamabad	173.415
13.	07	CEM, Karachi	1.106
14.	03	PCD Nowshera	2.987
<b>Total</b>			<b>3,274.735</b>

### Annexure-B

Refer to Para 1.2.2

Unauthorized transfer of funds from lapsable PLA-I to non-lapsable PLA-IV  
- Rs 2,292.556 million

Sr. No.	Para No of AIR	Name of Division	Amount (Rs in million)
<b>Audit year 2017-18</b>			
1.	02	CCD Abbottabad	1,081.356
2.	17	CCD-III Peshawar	75.092

Sr. No.	Para No of AIR	Name of Division	Amount (Rs in million)
3.	12	CCD-III Peshawar	21.870
4.	03	CCD-I Peshawar	48.997
5.	03	CCD Bannu	51.017
6.	05	PCD Nowshera	1.00
7.	02	CCD-I Quetta	170.863
8.	01	CCD Khuzdar	45.971
9.	01	CEM D Quetta	470.154
10.	01	CCD-II Quetta	126.214
11.	10	CCD, Nawabshah	3.391
<b>Audit year 2018-19</b>			
12.	05	CCD Abbottabad	196.631
<b>Total</b>			<b>2,292.556</b>

**Annexure-C**

Refer to Para 1.2.3

Award of works in non-transparent manner and without open tenders - Rs 1,741.946 million

Sr. No.	Para No of AIR	Name of Division	No. of Works	Amount (Rs in million)
<b>Audit Year 2017-18</b>				
1.	01	CCD-II Peshawar	64	600.000
<b>Audit Year 2018-19</b>				
2.	12	PCD-II, Islamabad	08	97.668
3.	16	CCD-I, Quetta	16	22.481
4.	11	CCD-I, Quetta	21	60.929
5.	04	CE &M Karachi	17	6.205
6.	11	CCD, Hyderabad	26	39.606
7.	11	CCD-II, Quetta	114	550.993
8.	09	CCD, Hyderabad	02	3.264
9.	05	CCD-II, Peshawar	37	360.80
<b>Total</b>			<b>305</b>	<b>1,741.946</b>

**Annexure-D**

Refer to Para 1.2.7

Irregular award of work without technical sanction to estimates of works -  
Rs 798.874 million

<b>Sr. No.</b>	<b>Para No of AIR</b>	<b>Name of Division</b>	<b>No. of works</b>	<b>Amount (Rs in million)</b>
<b>Audit Year 2017-18</b>				
1.	01	CCD Bannu	03	100.001
2.	01	CCD-I Peshawar	32	147.101
3.	06	PCD-II Islamabad	25	57.472
4.	01	CCD-VIII Islamabad	17	240.000
5.	11	CCD-III Peshawar	25	50.000
6.	01	CCD D.I Khan	19	70.000
7.	16	CCD-III Peshawar	46	134.300
<b>Total</b>			<b>167</b>	<b>798.874</b>

**Annexure-E**

Refer to Para 1.2.9

Non-obtaining of performance securities from the contractors - Rs 341.985 million

<b>Sr. No.</b>	<b>Para No of AIR</b>	<b>Name of Division</b>	<b>Amount (Rs in million)</b>
<b>Audit Year 2017-18</b>			
1.	07	CCD-I Peshawar	95.101
2.	03	CCD Hyderabad	19.223
3.	07	CCD Sukkur	118.178
4.	13	CCD Nawabshah	48.662
5.	02	CCD Nawabshah	126.350
<b>Audit Year 2018-19</b>			
6.	05	CCD-I, Quetta	305.698
7.	08	CCD-II, Quetta	550.903
8.	06	CCD-III, Quetta	13.990

<b>Sr. No.</b>	<b>Para No of AIR</b>	<b>Name of Division</b>	<b>Amount (Rs in million)</b>
9.	03	CCD, Larkana	100.00
10.	12	CCD Abbottabad	47.441
11.	08	CCD Khuzdar	54.733
12.	14	CE & M Quetta	1,939.570
<b>Total</b>			<b>3,419.849</b>
<b>10%</b>			<b>341.985</b>

**Annexure-F**

Refer to Para 1.2.10

Loss due to award of works at higher rates - Rs 288.611 million

<b>Sr. No.</b>	<b>Para No of AIR</b>	<b>Name of Division</b>	<b>Amount (Rs in million)</b>
<b>Audit year 2017-18</b>			
1.	11	CCD-VIII Islamabad	0.514
2.	20	CCD Abbottabad	17.680
3.	13	CCD Abbottabad	10.161
4.	09	CCD Abbottabad	24.286
5.	02	PCD Nowshera	5.812
6.	04	CCD Khuzdar	0.134
7.	05	CCD-II Quetta	0.443
8.	09	CCD-II Quetta	0.365
9.	18	CCD-II Peshawar	229.216
<b>Total</b>			<b>288.611</b>

**Annexure-G**

Refer to Para 1.2.11

Unauthorized charging of Departmental Charges - Rs 136.315 million

Sr. No.	Para No of AIR	Division	Amount (Rs in million)
<b>Audit Year 2017-18</b>			
1.	11	CCD-I, Quetta	1.374
2.	07	CCD, Abbottabad	80.040
3.	04	CEMD, Islamabad	1.795
4.	11	CCD, Sukkur	6.059
5.	11	CCD, Hyderabad	11.732
6.	06	CEMD, Quetta	35.315
<b>Total</b>			<b>136.315</b>

**Annexure-H**

Refer to Para 1.2.12

Overpayment due to allowing excess quantities without approval – Rs 190.504 million

Sr. No.	Para No of AIR	Name of Division	Amount (Rs in million)
<b>Audit Year 2017-18</b>			
1.	06	CCD-II Peshawar	3.175
2.	04	CCD-II Peshawar	25.095
3.	05	CCD-I Peshawar	2.519
4.	04	PCD Nowshera	3.802
5.	05	CCD Bannu	3.492
6.	05	CCD D.I Khan	3.966
7.	04	CCD-III Quetta	1.795
8.	03	CCD-III Quetta	0.881
9.	05	CCD-III Quetta	0.516
10.	04	Project EM Islamabad	2.165
11.	16	CCD-II Peshawar	3.005
<b>Audit Year 2018-19</b>			
12.	15	CE & M Quetta	19.715
13.	03	CCD-I, Peshawar	1.026

<b>Sr. No.</b>	<b>Para No of AIR</b>	<b>Name of Division</b>	<b>Amount (Rs in million)</b>
14.	04	CCD-I, Peshawar	1.091
15.	13	CCD-II, Quetta	9.177
16.	02	CCD Mirpurkhas	0.885
17.	06	CCD Nawabshah	0.832
18.	04	PCD-II Islamabad	1.749
19.	01	PCD-II Islamabad	1.291
20.	02	PCD-II Islamabad	5.253
21.	09	PCD-II Islamabad	2.471
22.	01B	PCD-II Islamabad	2.885
23.	01A	PCD-II Islamabad	4.462
24.	02	CCD Nowshera	4.420
25.	01	CCD, D.I Khan	0.664
26.	07	CCD-VIII, Islamabad	0.658
27.	05	CCD-VIII, Islamabad	0.067
28.	04	CCD-VIII, Islamabad	1.312
29.	03	CCD-VIII, Islamabad	0.884
30.	10	CCD-VIII, Islamabad	2.030
31.	09	CCD-II, Peshawar	2.910
32.	08	CCD-II, Peshawar	7.903
33.	04	CCD-II, Peshawar	19.208
34.	03	CCD-II, Peshawar	43.352
35.	04	CCD-IV, Islamabad	0.836
36.	10	CCD, Larkana	1.042
37.	01	CE & M Peshawar	3.970
<b>Total</b>			<b>190.504</b>

**Annexure-I**

Refer to Para 1.2.14

Less deduction of Income Tax - Rs 59.080 million

<b>Sr. No.</b>	<b>Para No of AIR</b>	<b>Name of Division</b>	<b>Amount (Rs in million)</b>
<b>Audit Year 2017-18</b>			
1.	18	CCD Abbottabad	1.076
2.	11	CCD Abbottabad	12.410
3.	09	CCD-II Peshawar	4.213
4.	10	CCD-I Peshawar	7.283
5.	01	EM-I Div Islamabad	0.529
6.	02	Project EM Islamabad	0.266
7.	05	CEM D Quetta	26.684
8.	04	CCD-II Quetta	4.615
<b>Total</b>			<b>57.076</b>

**Annexure-J**

Refer to Para 1.2.15

Non-imposition of liquidated damages for delay in completion of works - Rs 27.162 million

<b>Sr. No.</b>	<b>Para No of AIR</b>	<b>Name of Division</b>	<b>Contract Cost (Rs in million)</b>
<b>Audit Year 2017-18</b>			
1.	16	CCD, Hyderabad	192.225
2.	11	CCD-IV, Islamabad	54.07
<b>Audit Year 2018-19</b>			
3.	08	CCD, Larkana	12.289
4.	11	CCD, Larkana	6.244
5.	12	CCD, Larkana	6.789
<b>Total</b>			<b>271.617</b>
<b>Liquidated damages (10%)</b>			<b>27.162</b>

**Annexure-K**

Refer to Para 1.2.17

Non-recovery due to non-obtaining of work insurances -  
Rs 20.129 million

<b>Sr. No.</b>	<b>Para No of AIR</b>	<b>Name of Division</b>	<b>Amount (Rs in million)</b>
<b>Audit Year 2017-18</b>			
1.	04	CCD Hyderabad	192.225
2.	06	CCD Sukkur	27.206
3.	05	CCD Sukkur	90.972
4.	07	CCD Larkana	37.061
5.	03	CCD Nawabshah	126.350
6.	14	CCD Nawabshah	48.622
7.	07	CCD-I Quetta	13.927
8.	02	CCD-III Quetta	70.812
9.	02	CCD-II Quetta	84.789
10.	04	PCD-II Islamabad	19.121
11.	19	CCD Abbottabad	1,203.346
<b>Audit Year 2018-19</b>			
12.	01	CCD Larkana	2.0
13.	04	CCD-I, Quetta	3.515
14.	07	CCD-II, Quetta	6.335
15.	09	CCD-IV, Islamabad	1.378
16.	07	CCD-Khuzdar	62.943
17.	13	C.E&M, Quetta	22.303
<b>Total</b>			<b>2,012.905</b>
<b>1%</b>			<b>20.129</b>



**Annexure-L**

Refer to Para 1.2.18

Overpayment due to non-deduction of quantity of murum -  
Rs 17.056 million

<b>Sr. No.</b>	<b>Para No of AIR</b>	<b>Name of Division</b>	<b>Amount (Rs in million)</b>
<b>Audit Year 2017-18</b>			
1.	03	CCD Khuzdar	0.544
2.	01	CCD-III Quetta	0.437
3.	07	CCD-II Quetta	1.258
<b>Audit Year 2018-19</b>			
4.	04	CCD Khuzdar	0.377
5.	03	CCD-II Quetta	1.576
6.	02	CCD Bannu	0.337
7.	05	CCD-II Quetta	12.527
<b>Total</b>			<b>17.056</b>

**Annexure-M**

Refer to Para 1.2.23

Non-preparation of PC-IV of schemes / works under Prime Minister's  
Global SDGs Achievement Programme - Rs 3,241.944 million

<b>Sr. No.</b>	<b>Para No of AIR</b>	<b>Name of Division</b>	<b>Amount (In million)</b>
<b>Audit Year 2017-18</b>			
1.	04	CE&MD-II, Karachi	2.960
2.	10	CCD, Sukkur	93.219
3.	02	CCD, Larkana	2.867
<b>Audit Year 2018-19</b>			
4.	04	CCD, Mirpur Khas	9.661
5.	01	CCD, Bannu	54.93
6.	03	CCD, D I Khan	50
7.	06	CCD-I, Quetta	305.698
8.	02	CCD, Nawabshah	167.966
9.	05	CCD, Sukkur	24.516
10.	12	E&M D, Quetta	1,956.824

<b>Sr. No.</b>	<b>Para No of AIR</b>	<b>Name of Division</b>	<b>Amount (In million)</b>
11.	01	CCD, Abbottabad	345.272
12.	01	P E/M, Islamabad	50.00
13.	11	CCD, Khuzdar	54.733
14.	12	CCD-III, Quetta	107.093
15.	02	CEM-II, Karachi	6.205
16.	02	CEMD, Peshawar	10.00
<b>Total</b>			<b>3,241.944</b>

**Annexure-N**

Refer to Para 1.2.25

Award of works without obtaining O&M Certificates/Mutation of Land - Rs 1,476.865 million

<b>Sr. No.</b>	<b>Para No of AIR</b>	<b>Name of Division</b>	<b>Amount (Rs in million)</b>
<b>Audit Year 2017-18</b>			
1.	02	CCD Larkana	2.867
2.	10	CCD Sukkur	93.219
3.	12	CCD Hyderabad	192.225
4.	06	EM-I Div Islamabad	17.774
5.	03	CCD Abbottabad	849.999
6.	04	CCD Abbottabad	8.571
7.	09	CCD Nawabshah	126.350
<b>Audit Year 2018-19</b>			
8.	08	CCD-I Quetta	185.860
<b>Total</b>			<b>1,476.865</b>

**Annexure-O**

Refer to Para 1.2.26

Unauthentic quality of executed work without required Test Checks -  
Rs 498.048 million

<b>Sr. No.</b>	<b>Para No of AIR</b>	<b>Division</b>	<b>Amount (Rs in million)</b>
<b>Audit Year 2017-18</b>			
2.	10	CCD-I Quetta	209.446
3.	05	CCD-II Quetta	184.605
4.	12	CCD-II Peshawar	101.613
5.	17	CCD Abbottabad	2.384
<b>Total</b>			<b>498.048</b>

**Annexure-P**

Refer to Para 1.2.27

Execution of works without required tests - Rs 680.607 million

<b>Sr. No.</b>	<b>Para No of AIR</b>	<b>Name of Division</b>	<b>No of schemes</b>	<b>Amount (Rs in million)</b>
<b>Audit Year 2017-18</b>				
1.	05	CCD Larkana	14	37.061
2.	04	CCD Nawabshah	15	126.350
3.	08	CCD Sukkur	32	90.972
4.	05	CCD Hyderabad	38	192.225
5.	05	CCD Khuzdar	-	65.135
6.	4	CCD-I Peshawar	20	23.379
7.	9	CCD-I Peshawar	01	8.681
8.	12	CCD Abbottabad	-	11.470
9.	08	CCD-I Peshawar	-	0.934
10.	08	CCD-II Peshawar	-	31.643
11.	14	CCD-III Peshawar	-	49.772
12.	04	CCD D I Khan	-	13.547

Sr. No.	Para No of AIR	Name of Division	No of schemes	Amount (Rs in million)
<b>Audit Year 2018-19</b>				
13.	06	CCD Larkana	-	22.21
14.	08	CCD Abbottabad	-	7.228
<b>Total</b>			<b>148</b>	<b>680.607</b>

**Annexure-Q**

Refer to Para 1.2.28

Non-obtaining of non-duplication certificates for works and non-handing over of completed schemes alongwith operating cost - Rs 53.576 million

Sr. No.	Para No of AIR	Name of Division	Amount (Rs In million)
<b>Audit Year 2017-18</b>			
1.	02	CCD Bannu	2.00
2.	07	PCD-II, Islamabad	1.189
3.	11	CCD Nawabshah	2.800
4.	13	CCD Hyderabad	3.845
5.	07	PCD Islamabad	1.189
6.	02	CCD-I Peshawar	2.942
7.	02	CCD D.I Khan	1.40
8.	06	CCD-III Quetta	1.871
<b>Audit Year 2018-19</b>			
9.	03	CCD Mirpur Khas	0.200
10.	01	CCD Abbottabad	7.046
11.	02	CCD Abbottabad	18.585
12.	08	K CEM Karachi	0.195
13.	07	CCD-I Quetta	6.396
14.	07	CCD Hyderabad	3.918
<b>Total</b>			<b>53.576</b>

**Annexure-R**

Refer to Para 1.2.29

## Non-implementation of Cabinet Division Guidelines for SDG's

<b>Sr. No.</b>	<b>Para No of AIR</b>	<b>Name of Division</b>	<b>Amount (In million)</b>
<b>Audit Year 2018-19</b>			
1.	08	PCD-II Islamabad	310.731
2.	02	P EM Islamabad	0.0600
3.	02	K CEM Karachi	6.205
4.	04	CCD Mirpurkhas	0
5.	06	CCD-I Quetta	305.698
6.	21	CCD-II Quetta	757.853
7.	12	CCD-III Quetta	107.093
8.	11	CCD Khuzdar	54.733
9.	03, 05, 09 & 12	C EM Quetta	1,956.824
10.	04 & 12	CCD-II Quetta	550.903
11.	07	CCD-III Quetta	13.990
12.	12	CCD Hyderabad	180.723
13.	04	CCD Sukkur	24.516
14.	02	CCD-I Peshawar	0
15.	07	CCD-IV Islamabad	160.89
16.	02	CCD-II Peshawar	0
17.	14	CCD-VIII Islamabad	300.247
18.	03	CCD D I Khan	50
19.	01	CCD Bannu	0
20.	04	CCD D I Khan	1.00
21.	04	PCD Nowshera	0
22.	02	C EM Peshawar	0
23.	06	K CEM Karachi	1.375
24.	01	P EM Islamabad	0
25.	05	C EM Islamabad	0
26.	02 & 08	CCD Nawabshah	167.966
27.	03	CCD Sukkur	20.722

<b>Sr. No.</b>	<b>Para No of AIR</b>	<b>Name of Division</b>	<b>Amount (In million)</b>
28.	05	CCD Sukkur	24.516
29.	09	CCD Khuzdar	54.733
30.	06	CCD-II Quetta	338.936
31.	05	K CEM Karachi	1.375
32.	09	K CEM Karachi	0
33.	19	CCD-II Quetta	262.272
34.	06	CCD Sukkur	12.450
35.	04	CCD Larkana	46.788
36.	07	CCD-I Peshawar	48.393
37.	06	CCD Khuzdar	14.515
<b>Total</b>			<b>5,775.507</b>

## Annexures – Distribution Companies

### Annexure-A

Refer to Para 2.2.4

Non-opening of separate Bank Accounts and non-maintenance of separate Books of Accounts - Rs 13,313.90 million

Sr. No.	Subject	Formation	Para No. of IR	Amount of Para (Rs in million)
1	Non-opening of separate books of accounts on Prime Minister's Global Sustainable Development Goals (SDGs) Achievement Programme & opening of three bank accounts instead of one bank account for Prime Minister's Global Sustainable Development Goals (SDGs) Achievement Programme (merged para 4.8 & 4.10 of IR)	FESCO	4.8 , 4.10	2,940.479
2	Non-opening of bank account and its separate books of accounts on Prime Minister's Sustainable Development Goals (SDGs) Achievement Programme	HESCO	4.1.7	259.67
3	Non-opening of bank account and its separate books of accounts on Prime Minister's Global Sustainable Development Goals (SDGs) Achievement Programme	IESCO	4.1	1,476.29
4	Non-maintenance of separate bank account and books of accounts on Prime Minister's Global Sustainable Development Goals (SDGs) Achievement Programme	LESCO	2.3	457.43
5	Non-maintenance of separate books of accounts on Prime Minister's Global Sustainable Development Goals (SDGs) Achievement Programme	MEPCO	25	6,057.765
6	Non-opening of separate books of accounts on Prime Minister's Global Sustainable Development Goals (SDGs) Achievement Programme	PESCO	4.1	1,446.99
7	Non-opening of bank account and non-maintenance of separate books of accounts against funds of Prime Minister's Global Sustainable Development Goals (SDGs) Achievement Programme	QESCO	7.1	164.69
8	Non-opening of bank account and its separate books of accounts on Prime Minister's Sustainable Development Goals (SDGs) Achievement Programme	SEPCO	1	309.068
9	Non-opening of separate books of accounts for Prime Minister's Global Sustainable Development Goals (SDGs) Achievement Programme	TESCO	1	201.513
<b>Total</b>				<b>13,313.895</b>

**Annexure-B**

Refer to Para 2.2.5

Irregular charging of administrative overheads on village electrification schemes against Prime Minister's SDGs - Rs 1,740.087 million

Sr. No.	Subject of the IR Para	Formation	Para No of IR	Amount Para of IR (Rs in million)
1	Irregular payment on account of overhead charges	FESCO	4.1	210.04
2	Unjustified charging of administrative overheads on village electrification schemes	HESCO	4.1.3	23.516
3	Irregular expenditure on accounts of overhead	IESCO	4.17	187.55
4	Unjustified booking of extra ordinary charges on account of storage, labour and overhead against SDGs schemes	LESCO	2.5	73.311
5	Unjustified charging of labour, overhead & contingent charges against SDGs schemes	MEPCO	23	978.551
6	Irregular payment on account of overhead charges	PESCO	4.6	97.183
7	Irregular payment made to consultant on account of overhead charges	PESCO	4.13	2.33
8	Irregular expenditure incurred on accounts of overhead charges	QESCO	7.5	5.11
9	Unjustified charging of administrative overheads on village electrification schemes	SEPCO	8	10.719
10	Irregular booking/charging of overhead charges	TESCO	5	5.33
11	Irregular expenditure due to consultancy services	IESCO	4.8	10.33
12	Unjustified payment of storage charges	IESCO	4.43	110
13	Irregular payment of storage charges on material	SEPCO	10	14.356
14	Irregular charging of administrative expenditure in estimates of SDGs schemes	GEPCO	9.2.2	9.136
15	Irregular expenditure due to consultancy services	HESCO	4.1.8	1.155
16	Irregular provision of consultancy service charges in estimates	QESCO	7.18	1.47
<b>Total</b>				<b>1,740.087</b>



**Annexure-C**

Refer to Para 2.2.11

Misuse of SDGs funds due to procurement of material beyond the requirement - Rs 1,122.784 million

Sr. No.	Subject	Name of Formation	Para No. of IR	Amount of Para (Rs in million)
1	1. Misuse of funds due to irregular procurement in excess from the provision of transformers incorporated in the schemes i.e. 25 KVA, 50 KVA, 100 KVA, 200 KVA and 630 KVA 2. Irregular expenditure incurred on the procurement of 630 KVA transformers out of SDGs funds 3. Irregular expenditure due to procurement in excess from the provision of transformers i.e. 25 KVA, 50 KVA, 100 KVA AND 200 KVA	FESCO	4.12, 4.16 & 4.19	704.03
2	Misuse of SDGs funds due to procurement of AAC WASP conductor	MEPCO	35	3.21
3	Unjustified procurement of 200 KVA transformers out of SDGs funds	MEPCO	33	111.241
4	Unjustified procurement of osprey conductor out of SDGs funds	MEPCO	30	189.654
5	Unjustified procurement of 100 KVA transformers out of SDGs funds	MEPCO	31	113.724
6	Irregular expenditure incurred on account of procurement of trolley transformer out of SDGs funds	IESCO	4.32	0.925
<b>Total</b>				<b>1,122.784</b>

**Annexure-D**

Refer to Para 2.2.15

Irregular procurement of material at rates reduced after opening of bids -  
Rs 3,000.536 million

Sr. No.	Subject of Para of IR	Formation	Para No. of IR	Amount of IR Para (Rs in million)
1	Irregular award of purchase order at post bid reduced rates by single the single bidder	FESCO	4.13	140.69
2	Irregular purchase of material at post bid reduced rates	FESCO	4.14	1087.62
3	Irregular procurement due to violation of PPRA's rules 2004	FESCO	4.22	124.47
4	Irregular purchase of material at post bid reduced / negotiated rates	IESCO	4.34	646.98
5	Irregular purchase of material at post bid reduced / negotiated rates	PESCO	4.15	483.02
6	Irregular award of purchase order at post bid reduced rates by single the single bidder	PESCO	4.19	243.52
7	Irregular award of purchase order due to quoting the same rates by the both bidders	PESCO	4.20	151.82
8	Irregular award of purchase orders by price matching at post bid reduced rates	HESCO	4.1.12	97.846
9.	Irregular award of purchase order at post bid reduced rates	HESCO	4.1.13	24.570
<b>Total</b>				<b>3,000.536</b>

**Annexure-E**

Refer to Para 2.2.35

Non-submission of PC-IV Proforma of capitalized schemes - Rs 4,453.624 million

Sr. No.	Subject	Formation	Para No. of IR	Amount of Para (Rs in million)	No. of Schemes
1	Non-preparation of PC-IV Proforma	FESCO	4.5		477
2	Non-preparation of PC-IV Proforma	IESCO	4.7	1,064.97	857
3	Non-preparation of PC-IV Proforma	HESCO	4.2.1	149.032	111
4	Non-preparation of PC-IV Proforma	PESCO	4.7	1,222.28	1127
5	Non-preparation of PC-IV Proforma	QESCO	7.15	77.04	72

Sr. No.	Subject	Formation	Para No. of IR	Amount of Para (Rs in million)	No. of Schemes
	/ completion report against funds of SDGs Achievement Programme				
6	Non-submission of PC-IV Proforma of capitalized schemes	LESCO	3.4	225.735	328
7	Non-submission of PC-IV Proforma of capitalized schemes	MEPCO	24	1,509.839	2789
8	Doubtful completion due to non-preparation of PC-IV Proforma	SEPCO	6	204.728	203
<b>Total</b>				<b>4,453.624</b>	<b>5964</b>

### Annexure-F

Refer to Para 2.2.36

#### Non-completion of village electrification schemes - Rs 5,932.692 million

Sr. No.	Subject	Formation	Para No. of IR	No. of Schemes	Amount of Para (Rs in million)
1	Non-completion of village electrification schemes	SEPCO	3	80	79.996
2	Non-completion of schemes under prime minister's SDGs achievement programme	LESCO	3.2	30	28.895
3	Non-completion of village electrification schemes under Prime Minister's SDGs Achievement Programme	MEPCO	12	5050	3,814.611
4	Non-completion of No. 593 schemes against funds received from the Prime Minister's SDGs Achievement Programme	FESCO	4.24	593	463.446
5	Non-completion of schemes under Prime Minister's SDGs Achievement Programme	HESCO	4.3.2	43	115.745
6	Non-completion of No. 857 schemes against funds received from the Prime Minister's SDGs	IESCO	4.5	857	1,064.97

<b>Sr. No.</b>	<b>Subject</b>	<b>Formation</b>	<b>Para No. of IR</b>	<b>No. of Schemes</b>	<b>Amount of Para (Rs in million)</b>
	Achievement Programme				
7	Non-completion of electrification schemes	QESCO	7.3	155	117.19
8	Non completion of schemes under SDGs Programme	TESCO	07	356	201.516
9	Non-completion of village electrification schemes	GEPCO	9.3.2	72	46.323
<b>Total</b>				<b>7,236</b>	<b>5,932.692</b>

## Annexures –SNGPL and SSGC

### Annexure-A

Refer to Para-3.2.5

Non-sanctioning of gas schemes despite receipt of funds under SDGs Programme

(Rs in million)

Sr. No.	Schemes	Constituency	Gas scheme No.	Amount received
1	Supply of gas to various villages of NA-64 Sargodha	NA-64	2165	17.896
2	Supply of gas to various villages of NA-48 Islamabad	NA-48	2127	122.404
3	Supply of gas to various villages of Attock	NA-57		123.564
4	Supply of gas to various villages of Bahawalpur	NA-187	2143	251.329
5	Supply of gas to various localities of PP-17	PP-17	2140	87.949
6	Provision of Sui Gas to various localities of District Attock	NA-59	2142	12.560
7	Provision of Sui Gas to various localities of District Attock	NA-57	2141	16.671
8	Sui Gas Schemes of NA-49 of SDGs Funds	NA-49	2037	20.000
<b>Total Federal Government (A)</b>				<b>652.373</b>
10	Provision of Sui Gas to various localities of District Sahiwal	NA-145	C40-18	48.621
11	Provision of Sui Gas to various localities of District Sialkot	NA-112	C41-18	118.029
12	Provision of Sui Gas to various localities of District Gujranwala	NA-100	C42-18	2.774
13	Provision of Sui Gas to various localities of District Gujranwala	NA-101	C43-18	30.553
14	Provision of Sui Gas to various localities of Multan	NA-157	C44-18	1.682
15	Provision of Sui Gas to various localities of Multan	NA-157	C45-18	1.700
16	Provision of Sui Gas to various localities of Multan	NA-152	C46-18	30.000
17	Provision of Sui Gas to various localities of Burgain Multan	NA-151	C47-18	0.700
18	Provision of Sui Gas to various localities of Multan	NA-151	C48-18	25.355
19	Provision of Sui Gas to Basti Suleman, Basti Sher Shahwala, Basti Musa wala, etc.	NA-184	C49-18	0.866
20	Provision of Sui Gas to various localities of NA 70	NA-70	C50-18	8.989

21	Provision of Sui Gas at Villages Bheraj Uch Bheraj Tehsil & District Gujrat	NA-104	C51-18	0.709
22	Provision of Sui Gas to various villages of NA 81 District Faisalabad	NA-81	C52-18	152.542
<b>Total Provincial Government (B)</b>				<b>422.520</b>
<b>Grand Total (Federal + Provincial Governments)</b>				<b>1,074.893</b>

**Annexure-B**

Refer to Para-3.2.6

Non-initiation of work for sanctioned gas schemes despite receipt of funds under SDGs Programme

(Rs in million)

Sr. No.	Schemes of Government of the Punjab	Constituency	Scheme No.	Amount received
1	Supply of Gas to Chak No. 26/BC and Chak No23/BC, Bahawalpur	NA-187	1920	9.400
2	Supply of Gas to villages of Gojra	NA-92	1925	65.527
3	Supply of Gas to various villages of Faisalabad	NA-79	2023	133.641
4	Supply of villages Basti Khairabad, Basti Ghareebabad	NA-184	2029	5.234
5	Supply of Gas to villages of District Sargodha	NA-67	2030	35.103
6	Supply of Gas to villages of District Faisalabad	NA-80	2032	146.954
7	Supply of Gas to villages of District Sargodha	NA-67	2101	0.795
8	Supply of Gas to villages of District Mandi Bahaudin	NA-109	2120	29.966
9	Supply of Gas to villages of District Mandi Bahaudin	NA-109	2121	22.960
10	Supply of Gas to villages of Multan	NA-148	2122	147.000
11	Supply of Gas to villages of Gujranwala	NA-109	2133	12.262
12	Supply of Gas to villages of Bahawalpur	NA-185	2134	62.813
13	Supply of Gas to villages of District Kasur	NA-141	2135	21.583
14	Supply of Gas to villages of District Layyah	NA-182	2136	59.861
15	Supply of Gas to villages of District MuzafarGarh	NA-178	2137	5.928
16	Supply of Gas to villages of Gujranwala	NA-100	2138	11.323
17	Supply of Gas to villages of Jang	NA-89	2145	15.390
<b>Total</b>				<b>785.740</b>

**Annexure-C**  
Refer to Para 3.2.7

Non-completion of Jobs within stipulated period

(Rs in million)

<b>Sr. No.</b>	<b>OM No.</b>	<b>Executing agency</b>	<b>Distribution / Regional Office</b>	<b>Amount booked</b>	<b>Remarks</b>
1	11 FAT-III	SNGPL	Faisalabad, Multan & Sialkot	2,417.060	62 Cases
2	01 FAT-V	SNGPL	Peshawar	85.75	01 Cases
3	04 FAT-V	SNGPL	Islamabad	1,568.735	48 Cases
4	05 FAT-V	SNGPL	Gujranwala	604.008	42 Cases
5	06 FAT-V	SNGPL	Gujrat	13.790	01 Cases
6	07 FAT-V	SNGPL	Abbotabad	252.787	12 Cases
7	19 FAT-IV	SNGPL	Project Department	308.278	03 Cases
8	37 FAT-IV	SNGPL	-do-	704.174	22 Cases
9	39 FAT-IV	SNGPL	-do-	1,756.125	57 Cases
10	38 FAT-IV	SNGPL	-do-	135.354	06 Cases
11	Para 4.1.1	SSGCL	Qila Abdulla, Baluchistan	570.985	RDA, Karachi
12	Para 4.1.2	SSGCL	Quetta & Noshki	100.00	-do-
13	Para 4.1.3	SSGCL	Khairpur Sindh	50.00	-do-
14	Para 4.1.4	SSGCL	Khairpur Sindh	50.00	-do-
15	Para 4.1.5	SSGCL	Jaffarabad & Naseerabad, Balochistan	20.00	-do-
<b>Total</b>				<b>8,637.046</b>	

**Annexure-D**

Refer to Para 3.2.9

Over-estimation of project cost to avail maximum funds (Governments share) and non-surrendering of savings in completed jobs / schemes

(Rs in million)

<b>Sr. No.</b>	<b>OM No.</b>	<b>Distribution / Regional Office</b>	<b>Amount booked</b>	<b>No. of cases</b>
1	12 FAT-III	Faisalabad, Multan & Sialkot	102.404	07
2	02 FAT-V	Islamabad, Peshawar, Gujranwala	1.981	02
3	03 FAT-V	-do-	41.321	03
4	07 FAT-IV	Project Department	50.157	01
5	09 FAT-IV	-do-	7.488	01
6	10 FAT-IV	-do-	17.985	01
7	24 FAT-IV	-do-	219.66	10
8	03 FAT-IV	-do-	100.157	06
9	15 FAT-IV	-do-	7.726	01
<b>Total</b>			<b>548.879</b>	

**Annexure-E**

Refer to Para 3.2.16

Irregular booking of administrative overheads to the jobs / gas schemes

(Rs in million)

<b>Sr. No.</b>	<b>OM No.</b>	<b>Executing agency</b>	<b>Description of Expenditure</b>	<b>Amount booked</b>
1	08 FAT-V	SNGPL	Hiring of Vehicle	1.276
2	09 FAT-V	SNGPL	Other expenses	8.874
3	02 FAT-IV	SNGPL	Rental / Rail / River / Canal Crossing	1.379
4	18 FAT-IV	SNGPL	Salaries	2.021
5	20 FAT-IV	SNGPL	Rent of office building	0.696
6	32 FAT-IV	SNGPL	-do-	2.762
7	21 FAT-IV	SNGPL	Salaries & administrative expenses	2.846
8	22 FAT-IV	SNGPL	Depreciation Expense	5.036
9	34 FAT-IV	SNGPL	-do-	19.871
10	25 FAT-IV	SNGPL	Salaries of Casual Employees	254.656



<b>Sr. No.</b>	<b>OM No.</b>	<b>Executing agency</b>	<b>Description of Expenditure</b>	<b>Amount booked</b>
11	26 FAT-IV	SNGPL	Salaries of executive & Subordinate staff	15.822
12	27 FAT-IV	SNGPL	Provident Fund, Pension Gratuity of Executive	2.142
13	28 FAT-IV	SNGPL	-do-	0.598
14	29 FAT-IV	SNGPL	Stationery expenses, crockery & advertisement	1.462
15	30 FAT-IV	SNGPL	Travelling local executive & Subordinates	2.887
16	31 FAT-IV	SNGPL	Charges on Motor Vehicles	28.208
17	33 FAT-IV	SNGPL	Security, Postage, Electricity, Telephone, mobile & misc. expense	2.727
18	17 FAT-III	SNGPL	Administrative O/Hs, salaries, pay of staff and cost of hiring of vehicle etc.	22.174
19	Para 4.1.12	SSGC (RDA Karachi)	Purchase of PnC equipment, stationery, spare parts of vehicles, janitorial material, house rent, and financial charges.	93.804
<b>Total</b>				<b>469.241</b>

**Annexure-F**

Refer to Para 3.2.17

Over-booking of Expenditure causing excess-capitalization of jobs

(Rs in million)

<b>Sr. No.</b>	<b>OM No.</b>	<b>Distribution / Regional Office</b>	<b>Amount booked</b>
1	01 FAT-IV	Project Department	4.127
2	08 FAT-IV	-do-	1.950
3	12 FAT-IV	-do-	2.477
4	13 FAT-IV	-do-	131.600
5	14 FAT-IV	-do-	0.504
6	28 FAT-III	Faisalabad, Multan & Sialkot	15.686
<b>Total</b>			<b>156.344</b>

**Annexure-G**  
Refer to Para 3.2.22

Payment to contractor on excess quantity of work

(Rs in million)

Sr. No.	OM No.	Distribution / Regional Office	Amount booked
1	05 FAT-IV	Project Department	1.193
2	06 FAT-IV	-do-	0.532
3	24 FAT-III	Faisalabad, Multan & Sialkot	2.858
4	25 FAT-III	-do-	0.256
<b>Total</b>			<b>4.839</b>

**Annexure-H**  
Refer to Para-3.2.23

Inequitable development of gas schemes under SDGs Programme

Division	District	Federal funding	Fed. %	Provincial funding	Prov. %	Total funding	Total%
Rawalpindi	Rawalpindi	200		142.102		207.78	
	Attock	737.16		-		737.16	
	Jhelum	-		-		-	
	Chackwal	-		-		-	
<b>Total</b>		<b>937.16</b>	<b>20%</b>	<b>142.102</b>	<b>4%</b>	<b>944.94</b>	<b>11.01%</b>
Sargodha	Sargodha	210		96.456		271.65	
	Bhakkar	-		-		-	
	Khushab	-		-		-	
	Mianwali	-		-		-	
<b>Total</b>		<b>210</b>	<b>5%</b>	<b>96.456</b>	<b>2.45%</b>	<b>271.65</b>	<b>3.16%</b>
Faisalabad	Faisalabad	-		2,101.77		2,101.77	
	Jhung	-		15.39		-	
	Chiniot	-		-		-	
	Tota Tek Sigh	100		-		100	
<b>Total</b>		<b>100</b>	<b>2%</b>	<b>2,117.16</b>	<b>53.84%</b>	<b>2,201.77</b>	<b>25.65%</b>
Gujranwala	Gujranwala	100		323.88		423.88	
	Gujrat	150		-		150	
	Sialkot	-		150.86		150.86	
	Narawal	-		-		-	
<b>Total</b>		<b>250</b>	<b>5%</b>	<b>474.74</b>	<b>12.07%</b>	<b>724.74</b>	<b>8.44%</b>
Lahore	Lahore	-		-		-	
	Sheikhupura	190		152.374		342.374	
	Kasur	-		21.583		-	
	Nankana	-		-		-	

Division	District	Federal	Fed.	Provincial	Prov.	Total	Total%
	Sahib						
<b>Total</b>		<b>190</b>	<b>4%</b>	<b>173.957</b>	<b>4.42%</b>	<b>342.374</b>	<b>3.98%</b>
Sahiwal	Sahiwal			48.621		48.621	
	Okara					-	
	Pakpattan					-	
<b>Total</b>		-	<b>0%</b>	48.621	<b>1.23%</b>	48.621	<b>0.57%</b>
Multan	Multan	-		290.186			
	Vehri	-				-	
	Lodhran	-				-	
	Khane-wal	-				-	
<b>Total</b>		-	<b>0%</b>	<b>290.186</b>	<b>7.38%</b>	<b>290.186</b>	<b>3.38%</b>

D.G. Khan	D.G Khan	-				-	
	Layyah	-		59.861		59.861	
	Muzafargarh	-		5.928		5.928	
<b>Total</b>		-	<b>0%</b>	<b>65.789</b>	<b>1.67%</b>	<b>65.789</b>	<b>0.77%</b>
Bahawalpur	Bahawalpur	440		157.537		597.537	
	Bahawalnagar	-				-	
	R.Y.Khan	-				-	
<b>Total</b>		<b>440</b>	<b>9%</b>	<b>157.537</b>	<b>4%</b>	<b>597.537</b>	<b>6.96%</b>
ICT	Islamabad	425				425	
		<b>425</b>	<b>9%</b>			<b>564.16</b>	<b>6.57%</b>
Peshawar	Peshawar	27.97				27.97	
	Nowshera	-				-	
	Mardan	-				-	
	Lakki Marwat	72.03				72.03	
<b>Total</b>		<b>100</b>	<b>2%</b>	<b>3,931.97</b>	<b>100%</b>	<b>100</b>	<b>1.16%</b>
Abbott abad	Abbottabad	-				-	
	Haripur	100				100	
	Manshra	522.21				522.21	
		<b>622.21</b>	<b>13%</b>			<b>622.21</b>	<b>7.25%</b>
<b>Total Division-wise</b>		<b>3,474.36</b>		<b>3,931.97</b>	<b>100%</b>	<b>7,406.33</b>	<b>86%</b>
<b>Funds allocated to old schemes</b>		<b>1,375</b>	<b>30%</b>				
<b>Total Funds of SDG</b>		<b>4,649.36</b>	<b>100%</b>	<b>3,931.97</b>	<b>100%</b>	<b>8,581.33</b>	<b>100%</b>

## Annexures – FATA

### Annexure-A

Refer to Para 4.2.2

Irregular allocation of funds for the projects - Rs 110.497 million

(Rs in million)

S #	Name of work/Scheme under SDGs Programme	Number of Schemes	Expenditure
1	Sanitation scheme in various area of Jamrud in Khyber Agency	9	14.22
2	Sanitation scheme in various area of Jamrud in Khyber Agency	3	12.04
3	Sanitation scheme in various area of Jamrud in Khyber Agency	4	18.87
4	Sanitation scheme in Shah Kass Area in Khyber Agency	2	4.999
5	Construction of Overhead/Surface Reservoir at Jamrud & Landi Kotal Khyber Agency	35	18.25
6	Solarization of existing DWSS: at Jamrud&Landi	12	12.646
7	Construction/Rehabilitation and Solarization of DWSS at Jamrud and LandiKotal	14	11.182
8	Construction of Over Head Reservoir/Bore at Jamrud/LandiKotal Khyber Agency	25	18.29
<b>Total</b>		<b>104</b>	<b>110.497</b>

### Annexure-B

Refer to Para 4.2.4

Irregular funds allocation for the projects – Rs 39.001 million

(Rs in million)

Name of Scheme	Name of project	Required No. of Applicants	Available Applicants	Difference	Cost
Execution of 10 Nos Drinking Water Supply Schemes (Solar Based) in Kamar Khel & Bara Qambarkhel Bara Sub-Division Khyber Agency	DWSS Solar Based at Surkas No.02 Wandgari BQK	15	13	2	2.525
	Const; of O.H.T samargul Masjid spin dhand BQK	15	14	1	0.550
Solarization of 12 Nos DWSS in Bara Sub Division Khyber Agency	Solarization of existing DWSS at Sur Kass 2 Walibi Khel	15	8	7	1.1817
	Solarization of existing DWSS at Malikdin Khel	15	8	7	1.1817

Name of Scheme	Name of project	Required No. of Applicants	Available Applicants	Difference	Cost
	Solarization of existing DWSS at Malik din khel	15	8	7	1.1817
	Solarization of existing DWSS at MandaiKassSipah	15	10	5	1.1817
	Solarization of existing DWSS at Aka Khel	15	8	7	1.1817
	Solarization of existing DWSS at Jehanzono Ground Aka Khel	15	8	7	1.1817
Execution of 05 Nos DWSS (Solar based) at Sepah, Kala Khel, Kamarkhel, Solarization & Const; of OHT at Surkass No.02 & 2 Nos OHT at BQK Bara	DWSS (Solar Based) at MandaiKasSipah	15	13	2	2.399
	DWSS (Solar Based) at MandaiKasSipah	15	14	1	2.2446
Execution of 06 Nos DWSS and 2 Nos Const; of OHT & Pavement of Street at Bara Khyber Agency	Const; of O.H.T at MalakanoKalle BQK TirahMaidan Bara	15	13	2	0.450
Const; of B.T. Road from Bara Exchange towards QaziabadChwk. 02 Nos DWSS (Solar Based) &Const; of 2 Nos Water Tank in Bara	Const; of 2 nos water tank	15	0	15	0.8235
	DWSS Solar Based at Aka khel	15	0	15	2.1549
	DWSS Solar Based at Aka Khel	15	0	15	2.159
Execution of 08 Nos DWSS (Solar Based) at Bara Khyber Agency	DWSS (Solar Based) at Adal Khel Sam Baba BQK	15	8	7	2.2446
	DWSS (Solar Based) at Surkass No.02 Nazarbi Khel	15	0	15	2.2446
	DWSS (Solar Based) at Sam Baba	15	0	15	2.2446
	DWSS (Solar Based) at PakkaThara BQK	15	0	15	2.2446
	DWSS (Solar Based) at	15	0	15	2.2446

Name of Scheme	Name of project	Required No. of Applicants	Available Applicants	Difference	Cost
	Shakas Bara Boundary				
Execution of 06 Nos. DWSS and 2 Nos. Const; of OHT & Pavement of Street at Bara Khyber Agency	DWSS (Solar Based) at Bar Qambar Khel	15	0	15	2.2446
Construction of B.T Road from Bara Exchange towards QaziabadChwk. 02 Nos. DWSS (Solar Based) & Construction of 02 Nos. Water Tank in Bara	Construction of 02 Nos. water tanks	15	0	15	0.8235
	DWSS solar Based at Aka Khel	15	0	15	2.1549
	DWSS solar Based at Aka Khel	15	0	15	2.159
<b>Total</b>					<b>39.001</b>

**Annexure-C**

Refer to Para 4.2.5

Irregular release of funds for past unfunded schemes - Rs 26.226 million

(Rs in millions)

Name of Scheme	Name of project	Cost
Execution of 10 Nos solar based Drinking Water Supply Schemes (DWSS) in Bar Qambarkhel Bara Sub-Division Khyber Agency	Solarization of existing DWSS at BogharaSorangKhwaja Khel BQK	1.318
	Solarization of existing DWSS and Const; of O.H.T at toth dhand Yar Gul, Kaly BQK	1.818
	Solarization of existing DWSS and Const; of O.H.T at toth dhand khanbikhel BQK	1.705
	Solarization of existing DWSS at NeherGharaSaidano Kaley	1.818
	Solarization of existing DWSS at khanbikhel pakka thara BQK	1.318
Execution of 10 Nos solar based Drinking Water Supply Schemes (DWSS) in Kamar Khel & Bar Qambarkhel Bara Sub-Division Khyber Agency	Solarization of existing DWSS & Const; of O.H.T at Khwaja Khel Jan Khan Kaley BQK	1.700
Solarization of	Solarization of existing DWSS at Walibi Khel Sam	1.1817

Name of Scheme	Name of project	Cost
12 Nos DWSS in Bara Sub Division Khyber Agency	Baba	
	Solarization of existing DWSS at Surkass No.02 Sheik mal khel	1.1817
	Solarization of existing DWSS at Wali Khel BQK	1.1817
	Solarization of existing DWSS at Sur Kass 2 Walibi Khel	1.1817
	Solarization of existing DWSS at Malikdin Khel	1.1817
	Solarization of existing DWSS at Malik din khel	1.1817
	Solarization of existing DWSS at Haji Abad Malik Garhi AlamGudar Sipah	1.1817
	Solarization of existing DWSS at Karigar Garhi Alam Gudar Sepah	1.1817
	Solarization of existing DWSS at MandaiKassSipah	1.1817
	Solarization of existing DWSS at Siyal Khwar Aka Khel	1.1817
	Solarization of existing DWSS at Aka Khel	1.1817
	Solarization of existing DWSS at Jehanzono Ground Aka Khel	1.1817
Execution of 06 Nos DWSS and 2 Nos Const; of OHT & Pavement of Street at Bara Khyber Agency	Solarization of existing DWSS at Bar Qmabar Khel	1.1817
	Solarization of existing DWSS at Bar Qmabar Khel	1.187
<b>Total</b>		<b>26.2261</b>

**Annexure-D**

Refer to Para 4.2.6

Lapse due to non-cashment of cheques – Rs 27.276 million

S.No.	Name of Contractor/Company	Cheque No.	Date	Amount (in Rs)
1	Tesla Industries Pvt. Ltd (18 No's DWSS Solar Based Nawagai)	388943	27.06.2018	3,661,200
2	Peshawar Pipes Pvt. Ltd (DWSS Solar Based in Tehsil Salarzai)	388940	27.06.2018	2,200,000
3	Renewable Power Pvt. Ltd (DWSS Solar Based Charmang/Mamund)	388952	28.06.2018	977,850
4	Renewable Power Pvt. Ltd (DWSS Solar Based WaraMamund)	388953	28.06.2018	4,030,500
5	Renewable Power Pvt. Ltd (DWSS Solar Based Charmang Area)	388954	28.06.2018	4,564,400
6	Security of Renewable Power Pvt. Ltd	388955	28.06.2018	3,252,991
7	HMA Pvt. Ltd (DWSS Solar Based in Utmankhel)	388960	28.06.2018	3,300,000

8	HMA Pvt. Ltd (DWSS Solar Based in Tehsil Khar NA-44)	388961	28.06.2018	2,281,650
9	Security of HMA Pvt. Ltd	388962	28.06.2018	1,897,843
10	Sky Green Pvt. Ltd	388957	28.06.2018	642,000
11	Security Sky Green Pvt. Ltd (DWSS Solar Based in Tehsil Khar NA-43)	388958	28.06.2018	217,000
12	Akbar Khan & Sons (DWSS Civil Work Tehsil Utmankhel)	388979	27.06.2016	250,949
<b>Total</b>				<b>27,276,383</b>

**Annexure-E**

Refer to Para 4.2.7

Loss due to non-deduction of Income Tax

(Rs in million)

S#	Name of Work/Scheme	No of sub-heads	Expenditure	IT @7%
1	Development programme under SDG,s programme in NA-42 SWA, for the year 2017-18 Water supply sector	18	15.573	1.090
2	Development programme under SDG,s programme in NA-42 SWA, for the year 2017-18 Water supply sector	12	12.441	0.870
3	Development programme under SDG,s programme in NA-42 SWA, for the year 2017-18 Water supply sector, Irrigation channel	19	17.161	1.201
4	Development programme under SDG,s programme in NA-42 SWA, for the year 2017-18 Communication sector,	11	14.732	1.031
5	Development programme under SDG,s programme in NA-42 SWA, for the year 2017-18 Water supply scheme sector	23	11.90	0.833
6	Development programme under SDG,s programme in NA-42 SWA, for the year 2017-18 Water supply sector	25	14.00	0.98
7	Development programme under SDG,s programme in NA-42 SWA, for the year 2017-18 Communication sector	16	13.30	0.931
8	Development programme under SDG,s programme in NA-42 SWA, for the year 2017-18 Water supply sector, tube well	5	19.00	1.33
9	Development programme under SDG,s programme in NA-42 SWA, for the year 2017-18 Water supply sector	21	15.70	1.099



<b>S#</b>	<b>Name of Work/Scheme</b>	<b>No of sub-heads</b>	<b>Expenditure</b>	<b>IT @7%</b>
<b>10</b>	Development programme under SDG,s programme in NA-42 SWA, for the year 2017-18 Water supply sector, communication	15	16.799	1.1759
<b>11</b>	Development programme under SDG,s programme in NA-42 SWA, for the year 2017-18 Water supply sector	14	12.714	0.889
<b>12</b>	Development programme under SDG,s programme sponsored by Ghalib khan advocate in NA-42 SWA, for the year 2017-18 Water supply sector	19	17.90	1.253
<b>13</b>	Development programme under SDG,s programme in NA-42 SWA, for the year 2017-18 communication sector	19	17.251	1.207
<b>14</b>	Development programme under SDG,s programme in NA-42 SWA, for the year 2017-18 irrigation channel	11	14.147	0.990
<b>15</b>	Development programme under SDG,s programme in NA-42 SWA, for the year 2017-18 communication sector	11	17.961	1.257
<b>16</b>	Development programme under SDG,s programme in NA-42 SWA, for the year 2017-18 Water supply sector	19	12.660	0.8862
<b>17</b>	Development programme under SDG,s programme in NA-42 SWA, for the year 2017-18 Water supply sector	17	12.194	0.853
<b>18</b>	Development programme under SDG,s programme in NA-42 SWA, for the year 2017-18 Water supply sector	21	11.40	0.798
<b>19</b>	Development programme under SDG,s programme in NA-42 SWA, for the year 2017-18 Water supply sector, communication sector	16	16.436	1.1505
<b>20</b>	Development programme under SDG,s programme in NA-41 SWA, for the year 2017-18 Water supply sector, others	22	18.40	1.288
<b>21</b>	Development programme under SDG,s programme in NA-41 SWA, for the year 2017-18 communication sector	12	12.70	0.889
<b>22</b>	Development programme under SDG,s programme in NA-41 SWA, for the year 2017-	23	12.90	0.903

S#	Name of Work/Scheme	No of sub-heads	Expenditure	IT @7%
	18 Water supply sector			
	<b>Total</b>	<b>369</b>	<b>327.269</b>	<b>22.908</b>

**Annexure-F**  
Refer to Para 4.2.7

Loss due to non-deduction of Income Tax

(Rs in millions)

S#	Schemes	Contractors	Business address	Expenditure	IT @7%
1	04 no PCC link road & street at alikhelarakzai	Syed hakeem builders	Ahmad plaza bank colony dhamial road Rawalpindi	9.054	0.63
2	05 no PCC link road & street at alikhelarakzai	Syed hakeem builders	Ahmad plaza bank colony dhamial road Rawalpindi	9.949	0.70
3	06 no PCC link road & street at alimishtiorakzai	M/S gul and sons constand co	Al faqir plaza office no 017 old lariaddaKohat	6.567	0.46
4	06 no PCC link road & street at mala khelarakzai	M/S Qasim khan & Bros	Saifullah general store near shah pump hangu road Kohat	10.846	0.76
5	PCC link road & street at upper orakzai agency	M/S Qasim khan & Bros	Saifullah general store near shah pump hangu road Kohat	5.488	0.38
6	06 no PCC link road & street at ferozkhelarakzai	New tec contractor	Akhunzada property near hina CNG shinwari town ring road Peshawar	6.105	0.43
7	10 no PCC link road & street at storikhelarakzai	New tec contractor	Akhunzada property near hina CNG shinwari town ring road Peshawar	11.074	0.78
8	04 no water supply scheme /pressure pump at storikhelarakzai	New tec contractor	Akhunzada property near hina CNG shinwari town ring road Peshawar	5.329	0.37

S#	Schemes	Contractors	Business address	Expend-iture	IT @ 7%
	agency				
9	09 no water supply scheme /pressure pump at Ismail zaiorakzai agency	New tec contractor	Akhunzada property near hina CNG shinwari town ring road Peshawar	8.358	0.59
10	12 no water supply scheme /pressure pump at utmankhel and storikhelorakzai agency	New tec contractor	Akhunzada property near hina CNG shinwari town ring road Peshawar	13.916	0.97
11	PCC link road /street at ferozkhel, utmankhel lower orakzai agency	Abidullahconst and co builders	Al hafiz steel corp commission jandi station chowk Kohat	4.802	0.34
12	PCC link road /street at storikhel, bezot in lower orakzai agency	Rustam khan orakzai and co	C/o saifullah general store near shell pump hangu road Kohat	5.390	0.38
13	PCC link road and culvert mala khel in upper orakzai agency	UF malik construction and co	Umar fayazshanwarisham ana road tehsil and disthangu	5.860	0.41
14	14 nos link road and street at sheikhanorakzai agency	Shamimurrehman	Haji abadkot road billi , tang tehsil and district Kohat	13.330	0.93
15	PCC link road and culvert , 2 Nos water supply at a khel, rabiakhel, upper orakzai agency	Jamal orakzaconst	Village sifatbandateh and dsithangu	8.740	0.61
16	2 nos water supply pressure pump and 6 nos WSS at sheikhanandmishti lower orakzai	Shamimurrehman	Haji abadkot road billi , tang tehsil and district Kohat	5.68	0.40
17	06 no water supply	New tec	Akhunzada	3.482	0.24

S#	Schemes	Contractors	Business address	Expend-iture	IT @ 7%
	ponds at rabiakhelorakzai agency	contractor	property near hina CNG shinwari town ring road Peshawar		
18	06 no water supply schemes gravity basis at Ismail zaiorakzai agency	New tecontractor	Akhunzada property near hinaCNG shinwari town ring road Peshawar	8.358	0.59
19	06 no water supply schemes pressure pumps at Ismail zaiorakzai agency	New tec contractor	Akhunzada property near hina CNG shinwari town ring road Peshawar	3.074	0.22
20	06 no PCC link road streets at al khelorakzai agency	New tec contractor	Akhunzada property near hinaCNGshinwari town ring road Peshawar	9.951	0.70
21	05 no water supply schemes pressure pumps at bar muhammadkhelao rakzai agency	Abbas ghulamorakzai		6.368	0.45
<b>Total</b>				<b>161.721</b>	<b>11.34</b>

**Annexure-G**

Refer to Para 4.2.9

Unsigned / incomplete contract agreements - Rs 267.942 million

(Rs in million)

S #	Name of work/Scheme	No. Of sub-Heads	Estimated Cost	Expenditure
1	DWSS Tehsil Khar	18	15.829	14.976
2	DWSS Tehsil LoiMamund	19	13.773	13.773
3	DWSS Tehsil Nawagai	18	16.833	12.976
4	DWSS Charmang	14	15.011	10.376
5	DWSS/Janazjah Tehsil khar, MamundChamarkand	4	4.587	4.380
6	DWSS Tehsil Mamund	10	10.924	9.578
7	DWSS Tehsil WaraMamund	11	12.017	11.656
8	DWSS Tehsil Nawagai/Khar/Mamund	21	12.904	12.904
9	Sanitation/Pavement of Street Tehsil	25	17.085	17.085

S #	Name of work/Scheme	No. Of sub-Heads	Estimated Cost	Expenditure
	Nawagai/Mamund/Khar			
10	Black Topping of Gabarai Road/Construction of Culvert Bara Banda	2	15.602	15.602
11	Communication	1	11	11
12	DWSS Upper Salarzai	25	15.807	15.807
13	DWSS Lower Salarzai	24	15.148	15.148
14	DWSS Tehsil Khar	26	14.842	14.842
15	DWSS Tehsil Utmankhel/Barang	9	5.183	5.183
16	DWSS Tehsil Utmankhel/Barang	15	9.218	9.218
17	DWSS Tehsil Salarzai	30	18.934	18.934
18	DWSS Tehsil Salarzai	30	18.934	18.934
19	DWSS Tehsil Salarzai	30	18.934	18.934
20	Sanitation Tehsil Khar/Salarzai	26	13.318	13.318
21	Communication Tehsil Salarzai	5	3.318	3.318
<b>Total</b>		<b>363</b>	<b>279.201</b>	<b>267.942</b>

**Annexure-H**

Refer to Para 4.2.10

Irregular execution of contract agreement without signing / approval of the competent authority

(Rs in millions)

S#	Name of scheme	No of sub scheme	Estimated Cost
1	Const: of sanitation facilities in Ali khel&Mallakhel area in Orakzai Agency, under SDGS program NA-39	11	20.00
2	Execution of sanitation facilities in rabiakhel and alikhela area under SDG,s achievement program at different villages in Orakzai Agency. NA 39	10	16.518
3	Const: of PCC link road/streets in mishtisheikhan and a khel area under SDG,s achievement program at different villages in orakzai Agency,	19	19.900
4	Prime Minister global sustainable goals SDG,S during 2017-18 in Orakzai Agency	20	20.00
5	Const: of PCC link road/streets and retaining wall under SDGs achievement program in Orakzai Agency	20	20.00
6	PPC link road/street pavement , Pcc culvert and gravity	17	15.00

S#	Name of scheme	No of sub scheme	Estimated Cost
	basis in Orakzai Agency		
7	PPC link road/street pavement under SDG,s in Orakzai Agency	20	20.00
8	Const: of sanitation facilities under SDG,s program in Orakzai Agency, under SDGs program NA-39	15	12.297
9	Const of drinking water supply scheme under SDG,s achievement program at different villages in upper orakzai Agency.	18	20.00
<b>Total</b>		<b>150</b>	<b>163.715</b>

**Annexure-I**

Refer to Para 4.2.10

Irregular execution of contract agreement without signing / approval of the competent authority

**(Rs in millions)**

S#	ADP/ID No	Name of Work	AA Cost	Expenditure
1	MG16F00027	Execution of 33 No DWSS in Mohmand Agency (Halimzi-I area)	19.793	18.433
2	MG16F00027	Execution of 38 No DWSS in Mohmand Agency (Halimzi-II)	19.581	19.518
3	MG16F00027	Execution of 28 No DWSS in Mohmand Agency (Halimzi&Pandyali area)	15.673	15.553
4	MG16F00027	Execution of 22 No DWSS in Mohmand Agency (Tehsil Prang Ghar, Ekka Ghund& Ambar)	14.199	13.821
5	MG16F00027	Execution of 12 No DWSS in Mohmand Agency (Safi &Khwaizi area)	10.754	10.497
<b>Total</b>			<b>80.000</b>	<b>77.822</b>

**Annexure-J**

Refer to Para 4.2.11

Non-deduction of 8% Additional Security - Rs 1.107 million

(Amount in Rs)

S#	Name of work	Same rate of bidders	Successful Contractor	Tender Cost	Req Additional Security not deducted
1	OHR 5000 gallons Shakasmastal Khel Jamrud	10% below	Alif Khan	506000	40800
2	OHR 5000 gallons Football Stadium Jamrud	10% below	Alif Khan	550000	44000
3	DWSS Ghundi Area Jamrud	10% below	M/S Zar Jamal	1557000	124560
4	Const: of bore hole Shah Kas No 2 Jamrud	10% below	M/S Tycon	1000000	80000
5	Const: of bore hole Shah Kas No 1 Jamrud	10% below	M/s Khyber sahara	1000000	80000
6	DWSS AwamiSheikhan	10% below	M/s Alif khan	506000	40800
7	OHR 5000- GlnsGhareezaJamrud	10% below	M/s Muhammad Jan & Sipah	600000	48000
8	DWSS Shalman No.1 LKL	10% below	M/s Afan & Sons	536000	42880
9	Const: of Bore Hole in Dagari No.2 Jamrud	10% below	M/s Yaqoot Khan Afridi	873000	69840
10	DWSS Painsi Lalma Mulagori	10% below	M/s Muhammad Jan & Sons	506000	40480
11	Const: of Bore Hole in shah kassNo.5 Jamrud	10% below	M/s S.Afridi	1000000	80000
12	DWSS Bridge Kallay (50KVA, 40 HP Machine & Pipe Line)	10% below	M/s Zeeshan & Roman Const: Co.	540000	43200
13	OHR 5000-Glns Sur kamarJamrud	10% below	M/s Muhammad Jan & Sons	600000	48000
14	OHR 5000-Glns Abdul Wali Kallay Dagari Jamrud	10% below	M/s Muhammad Jan & Sons	550000	44000
15	OHR 5000-Glns Madrassa Abu Bakkar Saddique Ghundi Jamrud	10% below	M/s Alif Khan & Sons	550000	44000
16	DWSS Zara Mela Gudar Jamrud	10% below	M/s Redi Gul Afridi	506000	40480
17	DWSS Tehsil Jamrud	10% below	M/s Zeeshan & Roman Const: Co.	854000	68320

S#	Name of work	Same rate of bidders	Successful Contractor	Tender Cost	Req Additional Security not deducted
18	OHR 5000-glns Khan bahadarKalayDagari Sher Khan khelJamrud	10% below	M/s Alif khan & sons	600000	48000
19	Const: of bore hole in shah kass No.3 Jamrud	10% below	M/s Alif khan & sons Const: co.	1000000	80000
<b>Total</b>				<b>12,034,000</b>	<b>1,107,360</b>

**Annexure-K**

Refer to Para 4.2.12

Irregular expenditure without Technical Sanction

**(Rs in millions)**

S #	Name of Work/Scheme	No. of Sub-Heads	Expenditure
1	Execution of 10 Nos Drinking Water Supply Schemes (Solar Based) in Bar Qambarkhel Bara Sub-Division Khyber Agency	10	18.743
2	Execution of 10 Nos Drinking Water Supply Schemes (Solar Based) in Kamar Khel & Bar Qambarkhel Bara Sub-Division Khyber Agency	10	18.626
3	Execution of 08 Nos Drinking Water Supply Schemes (Solar Based) at Bar Qambarkhel&Shalobar and 13 number Solar Street lights at Bara Sub-Division Khyber Agency	08	17.667
<b>Total</b>		<b>28</b>	<b>55.036</b>



**Annexure-L**  
Refer to Para 4.2.12  
**(Rs in millions)**

<b>S #</b>	<b>Name of Work/Scheme</b>	<b>No. of Sub-Heads</b>	<b>Expenditure</b>
<b>1</b>	I: 07 Nos Construction of DWSS with Installation of Solar System Nawagai Tehsil Nawagai	07	9.926
	II: 11 Nos Installation of Solar System with Water Tank on Existing Wells Nawagai Area Tehsil Nawagai	11	6.907
<b>2</b>	I: 06 Nos Construction of DWSS with Installation of Solar System Nawagai Tehsil Nawagai	06	6.5220
	II: 06 Nos Installation of Solar System with Water Tank on Existing Wells Nawagai Area Tehsil Nawagai	06	3.790
<b>3</b>	I: 08 Nos Construction of DWSS with Installation of Solar System in Tehsil Khar	08	7.512
	II: 06 Nos Construction of DWSS with Installation of Solar System in Tehsil Nawagai	06	6.592
<b>4</b>	I: 11 Nos Construction of DWSS with Installation of Solar System Charmang Area Tehsil Nawagai	11	13.222
	II: 03 Nos Installation of Solar System with Water Tank on Existing Wells Charmang Area Tehsil Nawagai	03	1.789
<b>5</b>	10 Nos Construction of DWSS with Installation of Solar System in Tehsil LoeMamund	10	10.924
<b>6</b>	11 Nos Construction of DWSS with Installation of Solar System in Tehsil WaraMamund	11	12.017
<b>7</b>	21 Nos Schemes Installation of Solar System in Existing Wells with Water Tank in Tehsil Khar/Nawagai/Mamund	21	12.904
<b>8</b>	I: 24 Nos Schemes for Pavement of Streets in NA-43	24	16.085
	II: 01 Nos Scheme for Construction of Jenazgah in Nawagai	01	1.000
<b>9</b>	I: 04 Nos Construction of DWSS with Installation of	04	4.398

<b>S #</b>	<b>Name of Work/Scheme</b>	<b>No. of Sub-Heads</b>	<b>Expenditure</b>
	Solar System Mamund Tehsil Mamund		
	II: 15 Nos Installation of Solar System with Water Tank on Existing Wells Mamund Tehsil Mamund	15	9.375
<b>10</b>	I: 24 Nos Schemes for Installation of Solar System in Existing Well with Water Tank in Upper Salarzai Tehsil Salarzai	24	15.153
	II: Construction of Overhead Water Tank/Polythene Water Tank at Danqool in Upper Salarzai Tehsil Salarzai	01	0.654
<b>11</b>	24 Nos Schemes for Installation of Solar System in Existing Wells with Water Tank in Lower Salarzai Tehsil Salarzai	24	15.148
<b>12</b>	26 Nos Schemes for Installation of Solar System in Existing Wells with Water Tank in Tehsil Khar	26	14.842
<b>13</b>	24 Nos Schemes for Installation of Solar System in Existing Wells with Water Tank in Tehsil UtmanKhel&Barang	24	14.650
<b>14</b>	05 Nos Schemes for P.C.C Road in Tehsil Salarzai	05	3.318
<b>Total</b>		<b>248</b>	<b>186.728</b>

**Annexure-M**

Refer to Para 4.2.12

**(Rs in millions)**

<b>S#</b>	<b>Name of Work/Scheme</b>	<b>No. of Sub-Heads</b>	<b>Expenditure</b>
<b>1</b>	SDGS program NA-37 ( Const:/Pavement of street drains in NA 37 in Kurram	27	18.70
<b>2</b>	SDGS program NA-37 ( Const:/Pavement of street drains in NA 37 in Kurram	21	18.20
<b>3</b>	SDGS program NA-37 ( Const:/Pavement of streets ,water	32	17.276

S#	Name of Work/Scheme	No. of Sub-Heads	Expenditure
	storage reservoir , dug wells, irrigation channels, DWSS, OHT, Traditional shade in NA 37 in Kurram		
4	SDGS program NA-37 ( Const:/Pavement of streets, water storage reservoir , water tank, OHT, Drain irrigation channel,, DWSS of traditional shade, Aqueduct, Improvement and rehab of DWSS in Kurram Agency	25	18.00
5	SDGS program NA-37 ( Const:/Pavement of streets, Dug well, Rehab and const of link roads, irrigation channel, play ground, water tank, improvement and rehab of DWSS in Kurram Agency	21	17.40
6	SDGS program NA-37 ( Const:/Pavement of streets, Dug well, , OHT, Water reservoir, Const of road, const of spur under SDGS in Kurram Agency	14	9.70
7	SDGS program NA-37 ( Const:/Pavement of streets and drains under SDGS in Kurram Agency	21	14.40
	<b>Total</b>	<b>161</b>	<b>113.676</b>

**Annexure-N**  
**Refer to Para 4.2.12**  
**(Rs in millions)**

S#	Name of Work/Scheme	No. of Sub-Heads	Expenditure
1	Development programme under SDG,s programme in NA-42 SWA, for the year 2017-18 Water supply sector	18	15.573
2	Development programme under SDG,s programme in NA-42 SWA, for the year 2017-18 Water supply sector	12	12.441
3	Development programme under SDG,s programme in NA-42 SWA, for the year 2017-18 Water supply sector, Irrigation channel	19	17.161
4	Development programme under SDG,s programme in NA-	11	14.732

<b>S#</b>	<b>Name of Work/Scheme</b>	<b>No. of Sub-Heads</b>	<b>Expenditure</b>
	42 SWA, for the year 2017-18 Communication sector,		
<b>5</b>	Development programme under SDG,s programme in NA-42 SWA, for the year 2017-18 Water supply scheme sector	23	11.90
<b>6</b>	Development programme under SDG,s programme in NA-42 SWA, for the year 2017-18 Water supply sector	25	14.00
<b>7</b>	Development programme under SDG,s programme in NA-42 SWA, for the year 2017-18 Communication sector	16	13.30
<b>8</b>	Development programme under SDG,s programme in NA-42 SWA, for the year 2017-18 Water supply sector, tube well	5	19.00
<b>9</b>	Development programme under SDG,s programme in NA-42 SWA, for the year 2017-18 Water supply sector	21	15.70
<b>10</b>	Development programme under SDG,s programme in NA-42 SWA, for the year 2017-18 Water supply sector, communication	15	16.799
<b>11</b>	Development programme under SDG,s programme in NA-42 SWA, for the year 2017-18 Water supply sector	14	12.714
<b>12</b>	Development programme under SDG,s programme sponsored by Ghalib khan advocate in NA-42 SWA, for the year 2017-18 Water supply sector	19	17.90
<b>13</b>	Development programme under SDG,s programme in NA-42 SWA, for the year 2017-18 communication sector	19	17.251
<b>14</b>	Development programme under SDG,s programme in NA-42 SWA, for the year 2017-18 irrigation channel	11	14.147
<b>15</b>	Development programme under SDG,s programme in NA-42 SWA, for the year 2017-18 communication sector	11	17.961
<b>16</b>	Development programme under SDG,s programme in NA-42 SWA, for the year 2017-18 Water supply sector	19	12.660
<b>17</b>	Development programme under SDG,s programme in NA-	17	12.194

S#	Name of Work/Scheme	No. of Sub-Heads	Expenditure
	42 SWA, for the year 2017-18 Water supply sector		
18	Development programme under SDG,s programme in NA-42 SWA, for the year 2017-18 Water supply sector	21	11.40
19	Development programme under SDG,s programme in NA-42 SWA, for the year 2017-18 Water supply sector, communication sector	16	16.436
20	Development programme under SDG,s programme in NA-41 SWA, for the year 2017-18 Water supply sector, others	22	18.40
21	Development programme under SDG,s programme in NA-41 SWA, for the year 2017-18 communication sector	12	12.70
22	Development programme under SDG,s programme in NA-41 SWA, for the year 2017-18 Water supply sector	23	12.90
	<b>Total</b>	<b>369</b>	<b>327.269</b>

**Annexure-O**  
Refer to Para 4.2.12  
**(Rs in millions)**

S#	Name of Work/Scheme	Num of Sub heads	Expenditure
1	Execution of 33 No DWSS in Mohmand Agency (Halimzi-I area)	33	18.433
2	Execution of 38 No DWSS in Mohmand Agency (Halimzi-II)	38	19.518
3	Execution of 28 No DWSS in Mohmand Agency (Halimzi&Pandyali area)	28	15.553
4	Execution of 22 No DWSS in Mohmand Agency (Tehsil Prang Ghar, Ekka Ghund& Ambar)	22	13.821
5	Execution of 12 No DWSS in Mohmand Agency (Safi &Khwaizi area)	12	10.497
	<b>Total</b>	<b>133</b>	<b>77.822</b>

**Annexure-P**  
Refer to Para 4.2.12  
**(Rs in millions)**

<b>S #</b>	<b>Name of work/Scheme</b>	<b>Number of S/H</b>	<b>Expenditure</b>
<b>1</b>	Sanitation scheme in various area of Jamrud under SDGs Programme in Khyber Agency	9	14.22
<b>2</b>	Sanitation scheme in various area of Jamrud under SDGs Programme in Khyber Agency	3	12.04
<b>3</b>	Sanitation scheme in Shah Kass Area under SDGs Project in Khyber Agency	2	4.999
<b>4</b>	Construction of Overhead/Surface Reservoir at Jamrud&LandiKotal Khyber Agency (Under SDGs Programme)	35	18.25
<b>5</b>	Solarization of existing DWSS: at Jamrud&LandiKotal (under SDGs Programme)	12	12.646
<b>6</b>	Construction/Rehabilitation and Solarization of DWSS at Jamrud and LandiKotal (under SDGs Programme)	14	11.182
<b>7</b>	Construction of Over Head Reservoir/Bore at Jamrud/LandiKotal Khyber Agency (under SDGs Programme)	25	18.29
<b>Total</b>		<b>100</b>	<b>91.627</b>

Overpayment due to excess claim for steel utilization - Rs 1.111 million

**(Amount in Rs)**

S#	Name of work	Sub head	Name of contractor	Voucher No & date	Gross amount of the bill	RCC qty:	Steel qty paid	Steel qtyReq: @ 1% per M.T	Diff: per M.T	Rate	Amount in Rs
1	Construction of Over Head Reservoir/Bore at Jamrud	OHR 5000 Gallons Ghareeza Jamrud	M/s Muhammad Jan & SipahGovt: Contractor	03-K/06.08.2018	455320	16.49	2.54	1.27	1.27	109371.99	138,902
2	Jamrud&Landikotal Khyber Agency (under SDGs Programme) 2017-18	OHR 5000 Gallons Sur KamarJamrud	M/s Muhammad Jan & SipahGovt: Contractor	04-K/06.08.2018	455320	16.49	2.54	1.27	1.27	109371.99	138,902
3		OHR 5000 Gallons Abdul WaliKalayDagariJamrud	M/s Muhammad Jan & SipahGovt: Contractor	05-K/06.08.2018	455320	16.49	2.54	1.27	1.27	109371.99	138,902
4		OHR 5000 Gallons Guddar Area Jamrud	M/s Taj Wazir Construction Co. Govt: Contractor	06-K/06.08.2018	455320	16.49	2.54	1.27	1.27	109371.99	138,902
5		OHR 5000 Gallons MenzBigatShah KassJamrud	M/s Afan& Sons Govt: Contractor	07-K/06.08.2018	455320	16.49	2.54	1.27	1.27	109371.99	138,902
6		OHR 5000 Gallons Chinar KalayGhundiJamrud	M/s Musa Construction Co. Govt: Contractor	22-K/06.08.2018	454671	16.49	2.54	1.27	1.27	109371.99	138,902
7		OHR 5000 Gallons	M/s Alif Khan& Sons	24-	454801	16.49	2.54	1.27	1.27	109371.99	138,902

S#	Name of work	Sub head	Name of contractor	Voucher No & date	Gross amount of the bill	RCC qty:	Steel qty paid	Steel qtyReq: @ 1% per M.T	Diff: per M.T	Rate	Amount in Rs
		Madrassa Abu BakkarSaddiqueGhundiJamrud	Construction: Co. Govt: Contractor	K/06.08.2018							
8		OHR 5000 Gallons Khan BahadarKalayDagari Sher Khan Khel Jamrud	M/s Alif Khan & Sons Construction: Co. Govt: Contractor	25-K/06.08.2018	454801	16.49	2.54	1.27	1.27	109371.99	138,902
<b>Total</b>					<b>3,640,873</b>	<b>Total</b>				<b>1,111,216</b>	