



Performance Audit Report
on
Support Services for Livestock Farmers
in
City District Rawalpindi

Audit Year 2016-17

AUDITOR GENERAL OF PAKISTAN

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Abbreviations and Acronyms

ADP	Annual Development Program
AI	Artificial Insemination
AR	Agricultural Research
CVD	Civil Veterinary Dispensary
DAC	Departmental Accounts Committee
DAO	District Account Officer
DCO	District Coordination Officer
DDOs	Deputy District Officers
DO	District Officer
EDO	Executive District Officer
EXT	Extension
GOP	Government of the Punjab
MTDF	Medium Term Development Framework
PAO	Principal Accounting Officer
PC-1	Planning Commission – Performa 1
P&D	Planning and Development
PDG	Punjab District Government
PDWP	Provincial Development Working Party
P&D	Planning & Department
WTO	World Trade Organization

PREFACE

The Auditor General of Pakistan conducts audit under 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 (Function, Powers and Terms and Conditions of Service) Ordinance 2001 and Section 115 of the Punjab Local Government Ordinance 2001. The performance audit of "Support Services for Livestock Farmers" in City District Rawalpindi was carried out accordingly.

The Directorate General Audit, District Governments Punjab (North) Lahore conducted performance audit of the project "Support Services for Livestock Farmers" during April – May, 2017 for the period 2007-08 to 2014-15 with a view to reporting significant findings to the stakeholders. Audit examined economy, efficiency and effectiveness aspects of the project. In addition, Audit also assessed, on test check basis whether the management complied with applicable laws, rules and regulations in implementing the project. The Audit Report indicates specific actions that, if taken, will help the management realize the objectives of the "Support Services for Livestock Farmers."

The observations included in this report have been finalized after discussion of Audit paras with the management. However, no Departmental Accounts Committee meeting was convened despite repeated requests.

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

Islamabad
Dated:

(Javaid Jehangir)
Auditor General of Pakistan

EXECUTIVE SUMMARY

The Directorate General of Audit, District Governments Punjab (North), Lahore conducted Performance Audit of Project “Support Services for Livestock Farmers” Phase-III Rawalpindi in May, 2017. The main objectives of the audit were to assess and comment whether the program was utilizing its resources and performing its activities in economical, efficient and effective manner leading to productivity of Livestock. The audit was conducted in accordance with the INTOSAI Auditing Standards.

Key Audit Findings

- i. Discrepancies noticed in Six cases regarding organization & management amounting to Rs 56.733 million
- ii. Four errors noticed in Financial Management valuing Rs 33.885 million
- iii. Non transparency observed in three instances regarding procurement & contract management costing Rs 8.868 million
- iv. Non completion of construction of 32 Buildings of the project amounting to Rs 29.563 million
- v. Improper asset management was noticed in two cases. Amount placed under observation worth Rs 0.080 million
- vi. Six issues pertaining to monitoring & evaluation valuing Rs 2.063 million
- vii. Environmental issues pointed in one instance

Recommendations

- i. Reasons for non achievement of the objectives of project may be probed and action must be taken against the responsible.
- ii. Irregular expenditure may be regularized
- iii. Expenditure should be incurred in accordance with the objectives of the project.
- iv. Shortage of technical and other staff should overcome at earliest.

- v. All under constructed buildings of THQ Hospitals and CVDs should be completed without further delay.
- vi. Procurements should be made with transparency.
- vii. POL wastage should be stopped and unjustified expenditure should be probed.
- viii. Irregular expenditure should be regularized by the sanction of competent authority.
- ix. Measures need to be adopted to strengthen the internal controls.
- x. Efficient monitoring system is required for maximum utilization of resources.

1. INTRODUCTION

In the light of Government of the Punjab's vision "Sustainable livestock sector development to ensure food security, enhanced competitiveness, quality life of stakeholders with exportable surplus", the Chief Minister has approved the Project "Support Services for Livestock Farmers", Phase – III Viz. Kasur, Pakpattan, Sheikhpura, Hafizabad, Sargodha, Layyah, Rawalpindi and Nankana Sahib. Resultantly, with a total cost of Rs 986.016 million for a period of 48 months from 01.07.2006 to 30.06.2010. The Government of the Punjab, Finance Department has funded the Project "Support Services for Livestock Farmers Phase III" for the City District Government, Rawalpindi. Funds of Rs 122.555 million for the project were released to City District Rawalpindi for the Financial Years 2007-15. The goal of the project was to increase the income of rural landless and small farm livestock holders, develop a new integrated approach in order to increase livestock production, through Up-gradation of 7 Tehsil Headquarters hospitals, Establishment of 7 mobile veterinary dispensaries at Tehsil headquarters level, establishment of 33 civil veterinary dispensaries at Union Council level in City District Rawalpindi.

The funds were mainly utilized by the District Officer (Livestock) in City District Rawalpindi for pay & allowances and a contingent expenditure. Motor cycles were purchased, for field staff, to enhance their capacity and to increase their mobility to provide services to the farmer community. These motor cycles were provided to them on interest free loan basis and the amount was recovered from their salaries in installments. Development schemes of up gradation of THQ Hospitals and Establishment of CVDs were executed by Provincial Building Division.

Against the total allocation of funds amounting to Rs 122.555 million, expenditure of Rs 56.733 million was incurred, whereas Rs 65.822 million remained unspent as detailed below:-

Rs in million

Financial Year	Allocation (Rs)		Total (Rs)	Utilization (Rs)		Total (Rs)	Balance	Cost Centre
	Salary	Non salary		Salary	Non salary			
2007-08	0.915	8.070	8.985	0.369	5.211	5.580	3.405	RI6868
2008-09	8.094	4.294	12.388	1.656	0.381	2.037	10.351	RI6868

2009-10	15.883	8.908	24.791	4.864	4.488	9.352	15.439	RI6868
2010-11	12.588	4.743	17.331	4.153	2.312	6.466	10.865	RI6868
2011-12	3.864	-	3.864	3.517	-	3.517	0.347	RI6868
2012-13	2.311	-	2.311	2.305	-	2.305	0.006	RI6868
2013-14	35.611	2.521	38.132	10.458	2.943	13.401	24.731	No separate cost centre
2014-15	11.990	2.763	14.753	11.866	2.209	14.075	0.678	No separate cost centre
Total	1.256	1.299	22.555	9.189	7.544	6.733	5.822	

2. AUDIT OBJECTIVES

The major objectives of the Performance Audit were:

- i. To ascertain whether the targets of the program were achieved with due regard to economy, efficiency and effectiveness.
- ii. To review financial, social and governance structure of the program in terms of performance.
- iii. To review compliance with applicable laws, rules, regulations and procedures.
- iv. To ensure procurement of implements in economical manner.

3. AUDIT SCOPE AND METHODOLOGY

The Audit covers all the aspects of the Program i.e. planning, financing and execution in City District Rawalpindi. Audit reviewed all the activities of the program in line with economy, efficiency and effectiveness. It also covers reviewing activities of the program regarding compliance with applicable rules, regulations and procedures.

Audit examined relevant data i.e. files, reports, newspapers, vouched accounts and stock registers etc. ascertaining the achievement of planned goals from the statistical data provided to Audit. Audit team visited offices of EDO (Finance & Planning), EDO (Agricultural), DO (Agricultural) Extension, DDOs (Agricultural) Extension, DAO Rawalpindi, in connection with Performance Audit of the program. Audit team visited selected farmers and interviewed them on self designed questionnaire to get intended information instantly. Interviews of the program functionaries and field staff were also conducted.

4. AUDIT FINDINGS AND RECOMMENDATIONS

4.1 Organization and Management

4.1.1 Non fulfilling of vacant posts

As per Section 11 (e) of PC I of the “Support Services of Livestock Farmers” 419 Technical, 662 Skilled & 8 Clerical & 745 un-skilled employments will be generated through this project.

During Performance Audit of the accounts of “Support Services of Livestock Farmers” it was noticed that sanctioned posts for the projects were lying vacant during the execution of project. Despite of allocation of Rs 91.256 million on account of salary component during 2007-15, goals of projects were not achieved and one of the main factors was vacant posts. Service delivery system did not function properly due to this, as detailed in **Annex-A**.

Audit holds that due to negligence and mismanagement, hiring process was not completed in violation of public interest.

The matter was reported to PAO in June, 2017. It was replied that required staff was not hired by the competent authority. Reply was not acceptable because public exchequer has sustained a loss due to non availability of required staff. DAC meeting was also not convened despite of repeated reminders till finalization of this Report.

Audit recommends inquiry to fix responsibility against persons at fault.

(AIR Para No 5)

4.1.2 Utilization of Project Funds in violation of PC-I - Rs 56.733 million

As per provision of the Annex-D of PC-I of “Support Services of Livestock Farmers”, 7 THQ Hospitals were to be upgraded, 7 mobile veterinary dispensaries at Tehsil headquarters level and 33 Dispensaries at UC level were to be established in City District Rawalpindi under the project.

During Performance Audit of the accounts of “Support Services of Livestock Farmers” it was noticed that funds allocated in project cost center RI6868 were not found utilize in project specific activities. Usual activities of DO (Livestock) were financed from the project funds which were not defined in PC-I. Further, separate

allocation of funds was not made during 2013-15. This resulted in expenditure of Rs 56.733 million in violation of PC-I as detailed below:-

(Amount in Rupees)

Financial Year	Utilization (Rs)		Total (Rs)	Cost Centre
	Salary	Non salary		
2007-08	369,259	5,210,775	5,580,034	RI6868
2008-09	1,656,468	380,560	2,037,028	RI6868
2009-10	4,863,524	4,488,312	9,351,836	RI6868
2010-11	4,153,449	2,312,253	6,465,702	RI6868
2011-12	3,516,660		3,516,660	RI6868
2012-13	2,305,477		2,305,477	RI6868
2013-14	10,457,842	2,943,368	13,401,210	No separate cost centre
2014-15	11,866,317	2,208,821	14,075,138	No separate cost centre
Total			56,733,085	

Audit is of the view that due to poor performance and lack of interest funds amounting to Rs 56.733 million were utilized by the whole department of DO (Livestock).

The matter was reported to PAO in June, 2017. It was replied that funds were utilized in public interest. Reply was not justified because there was no provision of expenditure for other than project activities in PC-I. DAC meeting was not convened despite of repeated reminders till finalization of this Report.

Audit recommends that responsibility be fixed against persons at fault.

(AIR Para No.25)

4.1.3 Non Establishment of 7 Mobile Veterinary Dispensaries

As per Annex-5 (b) of “Support Services of Livestock Farmers”, 07 Mobile Veterinary Dispensaries were to be established at Tehsil Headquarters level in City District Rawalpindi.

During Performance Audit of the accounts of “Support Services of Livestock Farmers” it was noticed that in violation of PC-I, no Mobile Veterinary Dispensary was established till the end of completion period i.e 31.12.2010. This resulted in violation of PC-I and depriving the community from the benefits of the project.

Audit holds that due to negligence and mismanagement, Livestock farmers were deprived from the facilities of Mobile Veterinary Dispensaries in violation of public interest.

The matter was reported to PAO in June, 2017. It was replied that Mobile Veterinary Dispensary were functional in 2016-17. Reply was not acceptable because facility was not provided in stipulated period of time. DAC meeting was not convened despite of repeated reminders till finalization of this Report.

Audit recommends inquiry to fix responsibility against persons at fault and formation of Mobile Veterinary Dispensaries at earliest.

(AIR Para No 4)

4.1.4 Non-functioning of THQ Hospital Rawalpindi

According to Rule (4)(f) of PLG (Property) Rules, 2003“ the manager shall prevent the use of property for any purpose and in any manner other than specified”,. As per Annex-5 (b) of “Support Services of Livestock Farmers”, 07 THQ Hospitals were to be established at Tehsil Headquarters level in City District Rawalpindi.

During Performance Audit of the accounts of “Support Services of Livestock Farmers” it was noticed that development funds were utilized for the up gradation of THQ Hospital and a building of PRI was handed over for the said purpose. On physical inspection it was seen that building was locked and being used for store, instead of THQ Hospital in violation of PC-I.

Non-Functional THQ Hospital Rawalpindi





Audit holds that due to negligence and mismanagement, THQ Hospital Rawalpindi was not functional in violation of public interest.

The matter was reported to PAO in June, 2017. It was replied that building hired for THQ Hospital was utilized in Livestock activities. Reply was not acceptable because THQ hospital was not functional in violation of PC-I and at the cost of interest of public exchequer. DAC meeting was not convened despite of repeated reminders till finalization of this Report.

Audit recommends inquiry to fix responsibility against persons at fault beside making THQ Hospital functional.

(AIR Para No 3)

4.1.5 Non-establishment of three Dispensaries by District Rawalpindi

As per provision of the Annex-D of PC-I of “Support Services of Livestock Farmers”, 33 Civil Veterinary Dispensaries at UC level were to be established in City District Rawalpindi under the project.

During Performance Audit of the accounts of “Support Services of Livestock Farmers” it was noticed that DO (Livestock) only able to establish 30 Civil Veterinary Dispensaries against the PC-I target of 33 CVDs. DO (Livestock) had failed to arrange land for 3 dispensaries with the participation of community. Detail of Dispensaries in **Annex-B**.

Audit holds that due to negligence and mismanagement, three dispensaries at UC level were not established in City District Rawalpindi.

The matter was reported to PAO in June, 2017. It was replied that due to non participation from community, three CVTs were not established. Reply was not justified because it indicated the poor performance relating to non mobilization of community. DAC meeting was not convened despite of repeated reminders till finalization of this Report.

Audit recommends that responsibility be fixed against persons at fault beside establishment of 3 dispensaries at UC level in accordance with PC-I.

(AIR Para No 15)

4.1.6 Lack of Safety Apparel

According to Rule 4(2) of PDG & TMA Property Rules, 2003 the Manager shall be responsible for any loss, destruction or deterioration.

During Performance Audit of the accounts of “Support Services of Livestock Farmers” it was noticed that workers of DO (Livestock) were exposed to infectious agents that cause diseases. DO (Livestock) did not provide a complete kit of the necessary safety apparel to its field staff. Moreover staff deputed for field activities, should be adequately trained to work efficiently and effectively. It was observed that no training was conducted till date regarding safety of staff.

Audit is of the view that due to poor performance and lack of interest, no safety apparel system was maintained.

The matter was reported to PAO in June, 2017. It was replied that compliance will be made. No DAC meeting was convened despite of repeated reminders till finalization of this Report.

Audit recommends that responsibility be fixed against persons at fault for inefficiency.

(AIR Para No 22 & 23)

4.2 Financial Management

4.2.1 Non-utilization of Non-Salary funds – Rs 13.623 million

According to Rule 64(ii) of the PDG&TMA (Budget) Rules, 2003, the resources of the Govt. should be utilized efficiently & effectively.

During Performance Audit of the accounts of “Support Services of Livestock Farmers” it was noticed that funds on account of non-salary amounting to Rs 26.015 million were allocated under Cost Centre RI6868 of Project. But only an sum of Rs 12.391 million were utilized and a huge sum of Rs 13.623 million was unutilized which showed inefficiency in the project and deprived the community from desired benefits as detailed below:-

(Amount in Rupees)

Financial Year	Cost Centre	Budget	Expenditure	Balance
		Non salary	Non salary	
2007-08	RI6868	8,070,000	5,210,775	2,859,225
2008-09	RI6868	4,294,000	380,560	3,913,440
2009-10	RI6868	8,908,000	4,488,312	4,419,688
2010-11	RI6868	4,743,000	2,312,253	2,430,747
Total		26,015,000	12,391,900	13,623,100

Audit is of the view that due to poor performance and lack of interest, funds amounting to Rs 13.623 million remained unutilized.

The matter was reported to PAO in June, 2017. It was replied that funds were unutilized due to late procurements. No DAC meeting was also not convened despite of repeated reminders till finalization of this Report.

Audit recommends that responsibility be fixed against persons at fault beside regularization.

(AIR Para No 1)

4.2.2 Irregular cash payment of salaries – Rs 13.348 million

According to Rule 13(c) (iv) & (iii) of PFR Volume-I, all payments should invariably be made through “Cross Cheques” in the name of valid payees only and no cheque may be drawn for “self” unless these are expressly meant for recouping working balance where so authorized.

During Performance Audit of the accounts of “Support Services of Livestock Farmers” it was noticed that during the period 2007-12 all payment of salaries were made to contractual staff in cash in violation of above quoted rule as detailed below:-

Period	Payment in Rs
2007-08	369,259
2008-09	1,656,468
2009-10	4,863,524
2010-11	4,153,449
2011-12	2,305,477
Total	13,348,177

Audit is of the view that due to weak internal controls, cash payment of salaries was made in violation of rules and instances of over payment were not ruled out.

The matter was reported to PAO in June, 2017. It was replied that no overpayment was made. Reply was not acceptable because there was no provision of cash payment in rules. DAC meeting was not convened despite of repeated reminders till finalization of this Report.

Audit recommends inquiry to fix responsibility against persons at fault.

(AIR Para No 6)

4.2.3 Favoritism / non transparency in procurement of motor cycles – Rs 4.851 million

According to Rule 6 of PLG (Contract) Rules, 2003 the contract shall not involve any favoritism. As per Annex-G-II of “Support Services of Livestock Farmers”, the motor cycles will be provided to field staff on hire and purchase basis and beneficiary will procure the motor cycle of his own choice.

During Performance Audit of the accounts of “Support Services of Livestock Farmers” it was noticed that in the light of PC-I, field staff had the right to choose the brand of motor cycles but Livestock and Dairy Department Lahore procured 77 Honda 100 cc motorcycles @ Rs 63,000 each amounting to Rs 4.851 million during 2009-10. It was noticed by the Audit that procurement was made directly by Livestock Department Punjab without allowing the field staff to chose the brand of motor cycles in violation of PC I as quoted above.

Audit is of the view that due to weak internal controls and mismanagement, non transparent procurement of motor cycles was made. Instances of non-transparency were not ruled out.

The matter was reported to PAO in June, 2017. It was replied that contract was made by the Directorate of Animal Health. Reply was not acceptable because instance of non transparency was not ruled out in said contract. DAC meeting was not convened despite of repeated reminders till finalization of this Report.

Audit recommends inquiry to fix responsibility against persons at fault.

(AIR Para No 2)

4.2.4 Unjustified expenditure on account of POL without usage of vehicle – Rs 2.063 million

According to Rule 49(v) of PFR Volume-II, The Log Books should be maintained in the prescribed form. According to Rule 32 (b) of PLG (Accounts) Rules, 2001, the expenditure shall not be prima facie more than the occasion demands.

During Performance Audit of the accounts of “Support Services of Livestock Farmers” it was noticed that during the execution of said project, no vehicle was found operational but expenditure of Rs 2.063 million on account of POL was incurred which was treated as unjustified as detailed below;

Head	Period	Expenditure (Rs)
POL Charges	2007-08	33,080
POL Charges	2008-09	181537
POL Charges	2009-10	322,459
POL Charges	2010-11	1,526,232
	Total	2,063,308

Audit holds that due to negligence and mismanagement, public exchequer sustained a loss of Rs 2.063 million.

The matter was reported to PAO in June, 2017. It was replied that matter will be probed. DAC meeting was not convened despite of repeated reminders till finalization of this Report.

Audit recommends inquiry to fix responsibility against persons at fault.

(AIR Para No 13)

4.3 Procurement and Contract Management

4.3.1 Irregular Purchase of AI equipment – Rs 4.764 million

As per Para 11 of chapter IV of Purchase Manual, “Sufficient time should be allowed in all tender enquiries for calling of quotations.

Performance Audit of the accounts of “Support Services of Livestock Farmers” revealed an expenditure of Rs 4.764 million was incurred for the procurement of AI Equipment during 2007-08 as detailed in **Annex-C**.

During Performance Audit of the accounts of “Support Services of Livestock Farmers” it was noticed that tender notice for the purchase of AI equipment was published in daily Nawa e Waqt and daily Jang on 08.05.2008 in which last date was mentioned as 15.05.2008 hence sufficient time was not provided. Further, it was noticed that specifications were not mentioned in tender advertisement. This resulted in irregular procurement amounting to Rs 4.764 million.

Audit holds that due to negligence and mismanagement, irregular procurement was made in violation of public interest.

The matter was reported to PAO in June, 2017. It was replied that procurement was made in public interest. Reply was not acceptable due to violation of rules in procurement. DAC meeting was not convened despite of repeated reminders till finalization of this Report.

Audit recommends inquiry to fix responsibility against persons at fault.

(AIR Para No 7)

4.3.2 Irregular purchase of medicine in violation of government instructions – Rs 3.999 million

According Government of the Punjab, LG&CD Department notification No. SO.D.G (Dev) (LG)9-7/2009 dated 23.12.2010, District Tender Board comprising the following is hereby constituted in all the Districts of Punjab for issuing, receiving and opening of tender “EDO of client department as Chairman, Representative of Commissioner, DCO, EDO (F&P), EDO (W&S) members and DO of

the executing agency will be the Secretary of the board. Further according to PPR, 2009 no provision of rate contract was available.

During Performance Audit of the accounts of “Support Services of Livestock Farmers” it was noticed the procurement of medicine amounting to Rs 3.999 million was made against the rate contract by EDO (Agriculture) instead of District Tender Board which was neither covered under the PPR, 2009 nor under the Notification of LG&CD Department quoted above. This resulted in irregular procurement of medicines as detailed below:-

Period	Budget	Expenditure (Rs)
2009-10	4,000,000	3,556,350
2010-11	444,000	442,787
Total	4,444,000	3,999,137

Audit holds that due to negligence and mismanagement, medicines were not timely procured in violation of rule.

The matter was reported to PAO in June, 2017. It was replied that rate contract of medicines was awarded by the City District Government. Reply was not acceptable due to violation of rules in awarding of contract. DAC meeting was not convened despite of repeated reminders till finalization of this Report.

Audit recommends inquiry to fix responsibility against persons at fault.

(AIR Para No 9)

4.3.3 Purchase of AI equipment at higher rates – Rs 104,900

As per Rule 38 of Purchase Manual, it would be got certified that the rates demanded are not more than the rates paid by any other purchase organization in this regard.

Performance Audit of the accounts of “Support Services of Livestock Farmers” revealed that during 2007-08, DO (Livestock) procured following AI Equipment from M/s Kurd Sons. It was noticed by the Audit that same items were procured from same firm in District Gujrat during same year at lesser prices. This resulted in loss to Government amounting to Rs 104,900 as detailed below:-

(Amount in Rs)

Period	Vendor	Item	Rate for Rawalpindi	Rate for Gujrat	Diff	Qty	Total Over payment
2007-08	Kurd Sons Industries	Liquid Nitrogen Container for storage (35 to 40 ltrs) made of aluminum	92,000	87,000	5,000	4.00	20,000
2007-08	Kurd Sons Industries	Liquid Nitrogen Container for storage (3 to 5 ltrs) made of aluminum	45,500	44,800	700	29	20,300
2007-08	Kurd Sons Industries	Universal AI gun	2,300	1,900	400	40	16,000
2007-08	Kurd Sons Industries	AI Sheaths	5.35	5.25	0.10	60,000	6,000
2007-08	Kurd Sons Industries	Thermometer Celsius	930	850	800	40	3,200
2007-08	Kurd Sons Industries	Bowl 10"	180	125	55	80	4,400
2007-08	Kurd Sons Industries	Foreign Body detector	96,000	91,000	5,000	7	35,000
						Total	104,900

Audit holds that due to negligence and mismanagement, irregular procurement was made in violation of public interest.

The matter was reported to PAO in June, 2017. It was replied that procurement was made in public interest. Reply was not acceptable due to violation of rules in procurement. DAC meeting was not convened despite of repeated reminders till finalization of this Report.

Audit recommends inquiry to fix responsibility against persons at fault.

(AIR Para No 8)

4.4 Construction and Works

4.4.1 Non-Completion of 32 Veterinary Health Facility Buildings– Rs 29.563 million

As per provision of the Annex-D of PC-I of project “Support Services of Livestock Farmers”, 7 THQ Hospitals were to be upgraded and 33 Dispensaries at UC level were to be established in City District Rawalpindi under the project.

Performance Audit of the accounts of “Support Services of Livestock Farmers” revealed that work of Establishment of 6 THQ Hospitals and up gradation of 30 CVDs were taken up under the project but despite lapse of completion period. 32 projects costing to Rs 29.563 million were not completed / handed over to stake holders till completion of this Report as detailed in **Annex-D**.

Audit holds that due to negligence and mismanagement, 32 schemes were not completed in violation of public interest.

The matter was reported to PAO in June, 2017. It was replied that completion of schemes was responsibility of Provincial Building Department. Reply was not acceptable due to non pursuing the completion of projects, resulted in loss of public exchequer. DAC meeting was not convened despite of repeated reminders till finalization of this Report.

Audit recommends inquiry to fix responsibility against persons at fault besides completion of schemes at earlier.

(AIR Para No 10)

4.5 Asset Management

4.5.1 Illegal occupation on District Veterinary Hospital Rawalpindi

According to Rule (4)(f) of PLG (Property) Rules, 2003 “the Manager shall prevent the use of property for any purpose and in any manner other than specified”.

Performance Audit of the accounts of “Support Services of Livestock Farmers” revealed that District Veterinary Hospital located at Committee Chowk Rawalpindi was unlawfully demolished and occupied by the Health Department without approval of competent authority and later on converted into a human health facility. Further no alternative place was provided to carry on the activities of District Veterinary Hospital.

Audit holds that due to negligence and mismanagement, Livestock farmers were deprived off the facilities in violation of public interest.

The matter was reported to PAO in June, 2017. It was replied that District Veterinary Hospital was demolished by City District Government. Reply was not acceptable because District Veterinary Hospital was not the property of City District Government, permission of Livestock and Dairy Development Department was required for any other use. DAC meeting was not convened despite of repeated reminders till finalization of this Report.

Audit recommends inquiry to fix responsibility against persons at fault besides recovery of District Veterinary Hospital.

(AIR Para No 11)

4.5.2 Improper infrastructure of Livestock

The veterinary Research Institute Lahore is providing different kind of Vaccines i.e HSV for Hemorrhagic Septicemia, F&MV for Foot & Mouth and ETV for Enterotoxaemia throughout Punjab costing millions of Rupees per annum for protection of animals against contagious diseases as preventive treatment

Performance Audit of the accounts of “Support Services of Livestock Farmers” revealed that required temperature of the most of the Veterinary medicine is 25-30 C but Livestock & Dairy Development Department failed to establish cold chain for

preservation of Vaccines / Medicines according to require temperature i.e 25-30 C.

Audit holds that due to negligence and mismanagement, Livestock farmers were suffered from substandard facilities in violation of public interest.

The matter was reported to PAO in June, 2017. It was replied that compliance will be made in future. DAC meeting was not convened despite of repeated reminders till finalization of this Report.

Audit recommends that responsibility be fixed against persons at fault for inefficiency.

Audit recommends that working conditions of immunization system may be activated to improve the health conditions of animals and increase the productivity of milk, meat and reduce the poverty.

(AIR Para No 21)

4.6 Monitoring and Evaluation (M&E)

4.6.1 Lack of monitoring and Evaluation

According to Section 6 of PC-I of “Support Services of Livestock Farmers” evaluation of the scheme SSLF, be got carried out from the P&D Department instead of third party. Rs.3.000 million is available during the year 2009-2010 for this purpose.

Performance Audit of the accounts of “Support Services of Livestock Farmers” revealed that there was no monitoring and evaluation system was exist. Despite of availability of Rs 3.000 million, no monitoring report of P&D Department was found on record.

Audit holds that due to Lack of monitoring and evaluation, goal of project was not achieved in violation of public interest.

The matter was reported to PAO in June, 2017. It was replied that compliance will be made in future. DAC meeting was not convened despite of repeated reminders till finalization of this Report.

Audit recommends inquiry to fix responsibility against persons at fault.

(AIR Para No 27)

4.6.2 Failure in achievements of PC-I targets

As per provision 5 C of PC-I of “Support Services of Livestock Farmers”, Target of each activity as under:-

Activity	Period	PCI Targets (cases)	Achievements (cases)	Short Fall (cases)
Vaccination of Large Animals	2006-15	13,080,000	3,425,683	9,654,317
Vaccination of Small Animals	2006-15	2,616,000	1,363,656	1,252,344
Vaccination of Rural Poultry	2006-15	48,594,000	1,821,115	46,772,885
Treatment	2006-15	3,788,000	346,141	3,441,859
AI Services	2006-15	947,000	215,734	731,266
Deworming and Drenching	2006-15	1,744,000	80,112	1,663,888
Pregnancy Tests	2006-15	1,694,000	105,559	1,588,441

Scrutiny of monthly performance reports DO (Livestock) revealed that there was a huge gap between targeted activities and actual activities performed. This indicated the failure of project as detailed in above table.

Audit is of the view that due to poor performance and lack of interest, targets of PC I was not achieved

The matter was reported to PAO in June, 2017. It was replied that compliance will be made in future. DAC meeting was not convened despite of repeated reminders till finalization of this Report.

Audit recommends that responsibility be fixed against persons at fault for inefficiency.

(AIR Para No 14)

4.6.3 Non achievement of the objectives of project

As per Section 5 (a) of PC-I of project “Support Services of Livestock Farmers” the main objectives are as under:-

- Increase the income of rural land less and small farm livestock holders.
- Develop a new integrated approach in order to increase livestock production
- Develop an efficient and reliable livestock service delivery system.

Performance Audit of the accounts of “Support Services of Livestock Farmers” revealed that no key performance indicators were developed by the management of the project to asses the outcomes of the project. No evidence was found on the record which indicate the increase in income of the rural and land less farmers as well as production of livestock. This project has failed to develop efficient livestock service delivery system. In spite of this, budget of Livestock Department was increased but no effects were found on grass root level.

Audit holds that due to negligence and mismanagement, goal of project was not achieved in violation of public interest.

The matter was reported to PAO in June, 2017. It was replied that compliance will be made in future. DAC meeting was not convened despite of repeated reminders till finalization of this Report.

Audit recommends inquiry to fix responsibility against persons at fault.

(AIR Para No 16)

4.6.4 Lack of awareness campaign for the project

According to the Section 12 of PC-I of project “Support Services of Livestock Farmers”, 3100 tasks has to be done per anum for the Awareness campaign of the project.

Performance Audit of the accounts of “Support Services of Livestock Farmers” revealed that management of the project did not launch effective awareness campaign to achieve the objectives of said project. It was observed that Livestock department made very little effort for raising awareness among general public. There was no awareness campaign in the city, public places, or any other media. The target of 3100 tasks for the awareness campaign was not achieved as detailed below:-

Name of Activity	Total Quantity of Work in tasks	2006-07	2007-08	2008-09	2009-10	2010-11 (31-12-10)
Awareness Campaign	3100	0	0	0	3100	1550

Audit is of the view that due to poor performance and lack of interest, awareness campaign was not properly initiated.

The matter was reported to PAO in June, 2017. It was replied that compliance will be made in future. DAC meeting was not convened despite of repeated reminders till finalization of this Report.

Audit recommends that responsibility be fixed against persons at fault for inefficiency.

(AIR Para No 18)

4.6.5 Un-authentic official data of vaccination and services

According to Rule 32(a) of PLG (Accounts) Rules 2001, same vigilance shall be exercised in respect of expenditure from the Local Fund as a person of ordinary prudence would exercise in respect of his own money.

Livestock Department did not have any proper information system. Integration of data has to rely on field reports which were generated without having details of farmers.

Audit scrutinized various reports generated during execution of “Support Services of Livestock Farmers”. It was observed that the statistics (although they were beyond the targets) were not supported with material evidences and authenticity of the data was not verifiable.

Audit is of the view that due to poor performance and lack of interest, unauthentic data was maintained.

The matter was reported to PAO in June, 2017. It was replied that compliance will be made in future. DAC meeting was not convened despite of repeated reminders till finalization of this Report.

Audit recommends that responsibility be fixed against persons at fault for inefficiency.

(AIR Para No 19)

4.6.6 Lack of Performance Appraisal System

As per section 135 of the Local Government Ordinance 2001, the District Govt. was required to designate inspection officer to examine the performance.

Livestock Department did not have any clearly defined benchmarks for performance evaluation of staff nor did it notify any schedule of supervision. Clearly defined and notified benchmarks help the supervisory staff in assessment of performance of staff and to guide the staff in keeping their performance levels up to the desired standards. During the course of audit it was noticed that no benchmarks and standards were employed by Livestock Department for performance evaluation of the staff. Honoraria was paid to staff including administrative, clerical, technical staff without setting targets.

Audit is of the view that due to lack of proper appraisal system there was frustration among the efficient staff as there was no reward policy for better performance.

The matter was reported to PAO in June, 2017. It was replied that compliance will be made in future. DAC meeting was not convened despite of repeated reminders till finalization of this Report.

Audit recommends that responsibility be fixed against persons at fault for inefficiency.

(AIR Para No 20)

4.7 Environment

4.7.1 Non-treatment of Hospital Waste

Medical waste includes a vast range of materials such as needles, syringes, dressings, body parts, blood, pharmaceuticals and even radioactive materials. If hospital waste is not treated properly, it can lead to health issues for those who are exposed to it, and it also pollutes the environment. Hospital waste should be segregated at the point of generation for proper disposal.

There were 66 Major Health facilities of Livestock in City District Rawalpindi but facility of Incinerator was not available. This resulted in mixing of untreated hospital waste in the municipal waste of City District and causing major diseases. Audit found samples of untreated hospital waste during physical inspection.

Untreated Hospital waste at CVD Kaller Syedan



Audit is of the view that due to poor performance and lack of interest, hospital waste was not treated.

The matter was reported to PAO in June, 2017. It was replied that compliance will be made in future. DAC meeting was not convened despite of repeated reminders till finalization of this Report.

Audit recommends that responsibility be fixed against persons at fault for inefficiency.

(AIR Para No 24)

4.8 Overall Assessment

i) Relevance:

The project “Support Services of Livestock Farmers” is highly relevant as the Government of Punjab has a great concern to enhance the productivity of Livestock. Although, livestock is an integral part of the farming system of the Punjab, livestock has never been regarded as a goal in itself but primarily as an instrument to support cash crop production. Two changes in present scenario necessitate a re-orientation. Firstly, the stagnation in agriculture production has assigned the livestock sector as a high profile sector. Secondly, after the implementation of WTO and other international agreements, livestock may be the major source of foreign exchange earning sector in Pakistan. Livestock of Pakistan is low producer as well as facing high mortality. A large number of diseases are prevailing in the livestock which are hampering the gap filling between demand and supply of livestock products.

The project “Support Services of Livestock Farmers” has failed to accomplish its goals despite of incurrence of expenditure amounting to Rs 56.733 million.

ii) Efficacy:

The management of the Project has failed to achieve any of the objective as mentioned in PC-I

iii) Efficiency:

The targets of the program could not be achieved efficiently. It was keenly observed that project was due for delay in utilization of budget. It was noticed that project was not executed in accordance with spirit and targets pointed out in PC-I.

iv) Economy:

Procurements of goods and services were not made in economical manners. Expenditure of Rs53.216 million was incurred by City District Government Rawalpindi but neither vacant posts were filled nor any target was achieved.

v) Effectiveness:

Project remained less effective as despite of completion time and utilization of resources, no target was achieved.

vi) Compliance with Rules:

Deficiencies were noted in procurements.

vii) Performance rating of the Program:

As no target of PC-I was achieved, performance of the project was unsatisfactory.

Neither the proper data collection from the beneficiaries of the project and their allied union councils regarding objectives was obtained nor authentic statistics were prepared. Progress report of the project did not show real picture of achievement and backup (information data of the each farmer).

viii) Risk Rating of Programme: Medium

5. CONCLUSION:

It was an initiative of the Government that the project “Support Services of Livestock Farmers” would increase the income of rural land less and small farm livestock holders. It was also aimed to develop a new integrated approach in order to increase livestock production and formulate an efficient and reliable livestock service delivery system. It would be very useful to provide initiative to other farmers to increase productivity, by improving internal control system, monitoring, evaluation and training, better results could be achieved.

The project “Support Services of Livestock Farmers” has been started from 2007-08 and had to be completed on 31.12.2010. Although project activities were funded till 2014-15 but despite the lapse of considerable period none of the objectives of the project has been achieved.

5.1 Key issues for the future:

- i. Allocated funds should be properly utilized in accordance with the guidelines.
- ii. Targets of the program should be specific and quantifiable for fair monitoring and evaluation by all concerned.
- iii. Measures should be adopted to improve the weak internal controls.
- iv. Government’s instructions and orders should be observed strictly in letter and spirit while dealing with financial matters.
- v. Due participation of the technical representatives in the planning process should be ensured.
- vi. The monitoring of the program should be strengthened to avoid complaints and irregularities.
- vii. Supervisory officers should play more effective role in supervising planning, design and construction of program facilities. They should verify both the quantity and quality of material and work as well as specifications.

5.2 Lessons Identified:

- i. The department should set SOP for slaughtering of female animals and avoid slaughtering of spoiled animals.

- ii. Most of animals loss in rural areas occur due to snake and dog bites. The department should ensure availability of these vaccines.
- iii. The department should ensure complaint redressal system at local level. It takes lot of time for a complaint to move to Lahore and then reach district and tehsil level.
- iv. The department should set up an advisory system for food selection for livestock. It should also work on feed availability to livestock farmers at reduced rates to ensure increase in their income.
- v. The department should hold community workshops for farmers so as to enhance their knowledge about livestock farming.
- vi. Land availability for livestock farming is critical. The department should work on availability of land for livestock farming e.g bank leasing facility.
- vii. The department should also open indoor facility for treatment of animals as it is critical in some injuries like fracture etc.
- viii. Clear understanding of the issues is extremely important for proper planning.
- ix. Only integrated planning and complete execution can produce desired and sustainable results.
- x. Merit-based selection and capacity building of staff is crucial for implementation of a plan.
- xi. Commitment of the concerned authority is essential for implementation of the Project.
- xii. Sustainability and smooth running of the Project is not possible without training, proper supervision, strengthening of internal control and awareness of the community.

ACKNOWLEDGEMENT

We wish to express our gratitude and appreciation to the Management and staff of City District Government Rawalpindi for the assistance and cooperation extended to the auditors during this assignment.

ANNEXES

Annex-A**Para # 4.1.1**

Year	Name of Post	Sanctioned Post	BPS	Occupied	Vacant
2007-08	VO	4	17	0	4
	VA	4	9	2	2
	AIT	4	9	2	2
	Driver	4	4	2	2
	Cattle Attendant	4	1	2	2
2008-09	VO	23	17	0	23
	VA	23	9	0	23
	AIT	23	9	1	22
	Driver	14	4	4	10
	Cattle Attendant	23	1	3	20
	Sanitary Worker/ Chowkidar	16	1	0	16
2009-10	LPO	7	17	0	0
	VO	44	17	2	42
	VA	38	9	3	35
	AIT	40	9	6	34
	Driver	14	4	13	1
	Cattle Attendant	47	1	23	24
	Sanitary Worker/ Chowkidar	40	1	15	25
2010-11	LPO	7	17	0	0
	VO	44	17	2	42
	VA	38	9	5	33
	AIT	40	9	4	36
	Driver	14	4	8	6
	Cattle Attendant	47	1	18	29
	Sanitary Worker/ Chowkidar	40	1	12	28
2011-12	LPO	7	17	0	0
	VO	44	17	1	43
	VA	38	9	5	33
	AIT	40	9	5	35
	Driver	14	4	8	6
	Cattle Attendant	47	1	20	27
	Sanitary Worker/ Chowkidar	40	1	12	28
2012-13	LPO	7	17	0	7
	VO	44	17	0	44
	VA	38	9	1	37
	AIT	40	9	5	35
	Driver	14	4	5	9
	Cattle Attendant	47	1	20	27
	Sanitary Worker/ Chowkidar	40	1	12	28

Year	Name of Post	Sanctioned Post	BPS	Occupied	Vacant
	Chowkidar				
2013-14	LPO	2	17	0	2
	VO	22	17	0	22
	VA	35	9	1	34
	AIT	35	9	5	30
	Driver	14	4	5	9
	Cattle Attendant	44	1	18	26
	Sanitary Worker/ Chowkidar	37	1	12	26
2014-15	LPO	2	17	0	2
	VO	22	17	0	22
	VA	37	9	3	34
	AIT	35	9	1	34
	Driver	14	4	4	10
	Cattle Attendant	44	1	18	26
	Sanitary Worker/ Chowkidar	37	1	11	26

Annex-B

Para # 4.1.5

Sr.No	Name of CVD
1	CVD Bhattian Kahuti
2	CVD Beor Jura
3	CVD Dhakhali Dhakhali
4	CVD Aliot Aliot
5	CVD Massarri Massarri
6	CVD Phagwari Phagwari
7	CVD Aryari Aryari
8	CVD Malot Sattian Malot Sattian
9	CVD Brahama Brahama
10	CVD Thatta Khalil Thatha Kahalil
11	CVD Shaikhan
12	CVD Manyanda Moza Bugiala
13	CVD Smote Smote
14	CVD Sukho Karnali
15	CVD Punjgran Karyala
16	CVD Jhungal Dhoke Awan
17	CVD Raman Raian Gorsian
18	CVD Changa Bangial Narali Jabber
19	CVD Thathi Palina
20	CVD Jermote Kalan Khalabutt
21	CVD Badhana Kurri Haider
22	CVD Chak Bali Khan Pindori
23	CVD Raika Mera Miana Mohra
24	CVD Banda Jharaki
25	CVD Tarahia Chappar
26	CVD Jhatha Hathial Moza Dudian
27	CVD Paryal Paryal
28	CVD Guggan Kharkan
29	CVD Chakri Chakri
30	CVD Lodhra Lodhra

Annex-C

Para # 4.3.1

Amount in Rs

Period	Vendor	Item	Rate	Quantity	Total
2007-08	Toor Industries	Liquid Nitrogen Container for storage (50 to 60 ltrs) made of aluminum	111,000	2.00	222,000
2007-08	-do-	AI Gun Cover	335	40.00	13,400
2007-08	-do-	Disposable Gloves	5.25	12,000.00	63,000
2007-08	-do-	AI Kit Bag	670	40.00	26,800
2007-08	-do-	Bd Syringe (10 ml)	213	200.00	42,600
2007-08	-do-	Tooth Rasp	340	40.00	13,600
2007-08	-do-	Teat Extractor	65	80.00	5,200
2007-08	-do-	Manual Drencher	730	40.00	29,200
2007-08	-do-	Obstetric Set	1,750	40.00	70,000
2007-08	-do-	Plier and Punch for ear Tag	492	40.00	19,680
2007-08	Kurd Sons Industries	Liquid Nitrogen Container for storage (35 to 40 ltrs) made of almunium	92,000	4.00	368,000
2007-08	-do-	Liquid Nitrogen Container for storage (3 to 5 ltrs) made of almunium	45,500	29.00	1,319,500
2007-08	-do-	Universal AI gun	2,300	40.00	92,000
2007-08	-do-	AI Sheaths	5.35	60,000.00	321,000
2007-08	-do-	Forceps	17.50	40.00	700
2007-08	-do-	Scissors	22	40.00	880
2007-08	-do-	Refrigerator medium sized with stabilizer double door 12-20 cft	29,500	40.00	1,180,000
2007-08	-do-	Thermometer Celcius	930	40.00	37,200
2007-08	-do-	Thawing Pot 6"	75	40.00	3,000
2007-08	-do-	Apron	88	80.00	7,040
2007-08	-do-	BD Needles (1x12)	28	400.00	11,200
2007-08	-do-	Dressing Scissors (small)	23	80.00	1,840
2007-08	-do-	Catheter (mare)	87	40.00	3,480
2007-08	-do-	White Apron (large)	88	240.00	21,120
2007-08	-do-	Bowl 10"	180	80.00	14,400
2007-08	-do-	Tattooing machine	550	40.00	22,000
2007-08	-do-	Plastic Tags (100)	830	200.00	166,000
2007-08	-do-	Tail Docking Machine	425	40.00	17,000
2007-08	-do-	Foreign Body detector	96,000	7.00	672,000
				Total	4,763,840

Annex-D**Para # 4.4.1**

Sr. No	Scheme	Start period	End Period	Amount (Rs)	Remarks
1	Establishment of CVD Kalyala	01.07.2008	31.12.2010	898,400	Incomplete
2	Establishment of CVD Rayian	01.07.2008	31.12.2010	898,400	Incomplete
3	Establishment of CVD Plina	01.07.2008	31.12.2010	898,400	Incomplete
4	Establishment of CVD Karnali	01.07.2008	31.12.2010	898,400	Incomplete
5	Establishment of CVD Shang	01.07.2008	31.12.2010	898,400	Incomplete
6	Establishment of CVD Khala Butt	01.07.2008	31.12.2010	898,400	Incomplete
7	Establishment of CVD Chanag Bangial	01.07.2008	31.12.2010	898,400	Incomplete
8	Establishment of CVD Kuri Haider	01.07.2008	31.12.2010	898,400	Incomplete
9	Establishment of THQ Hospital G.Khan	01.07.2008	31.12.2010	1,305,674	Incomplete
10	Upgradation of THQ Hospital Kaller Syedan	01.07.2008	31.12.2010	1,305,674	Incomplete
11	Establishment of CVD Manyanda	01.07.2008	31.12.2010	898,400	Incomplete
12	Establishment of CVD Smoot	01.07.2008	31.12.2010	898,400	Incomplete
13	Establishment of CVD taxila	01.07.2008	31.12.2010	898,400	Incomplete
14	Establishment of CVD Thatta Khalil	01.07.2008	31.12.2010	898,400	Incomplete
15	Establishment of CVD Bharma	01.07.2008	31.12.2010	898,400	Incomplete
16	Establishment of CVD Bhattian	01.07.2008	31.12.2010	898,400	Incomplete
17	Establishment of CVD Saroba	01.07.2008	31.12.2010	898,400	Incomplete
18	Establishment of CVD maloot Sattian	01.07.2008	31.12.2010	898,400	Incomplete
19	Establishment of CVD Murree	01.07.2008	31.12.2010	898,400	Incomplete
20	Establishment of CVD Gohra	01.07.2008	31.12.2010	898,400	Incomplete
21	Establishment of CVD Phagwari	01.07.2008	31.12.2010	898,400	Incomplete
22	Establishment of CVD Alliot	01.07.2008	31.12.2010	898,400	Incomplete
23	Establishment of CVD Jewra	01.07.2008	31.12.2010	898,400	Incomplete
24	Establishment of CVD	01.07.2008	31.12.2010	898,400	Incomplete

Sr. No	Scheme	Start period	End Period	Amount (Rs)	Remarks
	Dakhli				
25	Establishment of CVD Jatha Hathyal	01.07.2008	31.12.2010	898,400	Incomplete
26	Establishment of CVD Pindori	01.07.2008	31.12.2010	898,400	Incomplete
27	Establishment of CVD Lohdra	01.07.2008	31.12.2010	898,400	Incomplete
28	Establishment of CVD Jharki	01.07.2008	31.12.2010	898,400	Incomplete
29	Establishment of CVD Paryal	01.07.2008	31.12.2010	898,400	Incomplete
30	Establishment of CVD Chakri	01.07.2008	31.12.2010	898,400	Incomplete
31	Establishment of CVD Gaggan	01.07.2008	31.12.2010	898,400	Incomplete
32	Establishment of CVD Raika Maira	01.07.2008	31.12.2010	898,400	Incomplete
			Total	29,563,348	