



**SPECIAL AUDIT REPORT
ON THE ACCOUNTS OF
FOREST REGENERATION FUND (FRF)
GOVERNMENT OF GILGIT-BALTISTAN**

AUDIT YEAR 2022-23

AUDITOR-GENERAL OF GILGIT-BALTISTAN

SERVING THE NATION BY PROMOTING ACCOUNTABILITY,
TRANSPARENCY AND GOOD GOVERNANCE IN THE MANAGEMENT
AND USE OF PUBLIC RESOURCES FOR THE CITIZENS

PREFACE

The Auditor-General of Gilgit-Baltistan conducts audit subject to Section 98(4) of the Government of Gilgit-Baltistan Order, 2018 read with Section 9 of the Auditor-General of Gilgit-Baltistan (Functions, Powers and Terms and Conditions of Service) Act, 2012. Special Audit on the accounts of the Gilgit-Baltistan Forest Regeneration Fund (FRF) was carried out accordingly.

The Directorate General, Audit Gilgit-Baltistan conducted Special Audit on the accounts of Forest Regeneration Fund (FRF) during March-April, 2023 for the Financial Years 1998-22 with a view to report significant findings to the relevant stakeholders. Audit assessed on test check basis whether the management had complied with applicable laws, rules and regulations in managing the Fund. The report indicates specific actions that, if taken, will help the management to realize the objectives of the fund.

The report has been finalized in the light of discussion in Departmental Accounts Committee (DAC) meeting with the Forest, Wildlife, Parks and Environment Department, Gilgit-Baltistan, Gilgit.

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

Islamabad
Dated:

(Muhammad Ajmal Gondal)
Auditor-General of Gilgit-Baltistan

TABLE OF CONTENTS

ABBREVIATIONS AND ACRONYMS.....	i
EXECUTIVE SUMMARY	iii
1. INTRODUCTION.....	1
2. AUDIT SCOPE AND METHODOLOGY	2
3. AUDIT FINDINGS AND RECOMMENDATIONS.....	3
3.1 ORGANIZATION AND MANAGEMENT	3
3.2 HUMAN RESOURCE MANAGEMENT	13
3.3 FINANCIAL MANAGEMENT	14
3.4 GOVERNANCE, MONITORING AND EVALUATION	31
4. CONCLUSION	39
ACKNOWLEDGEMENT.....	42
Annexure-A Para 3.3.5.....	43
Annexure-B Para 3.4.1	45
Annexure-C Para 3.4.2.....	46
Annexure-D Para 3.4.3	47
Annexure -E Para 3.4.4.....	53

ABBREVIATIONS AND ACRONYMS

ADP	Annual Development Program
CCF	Chief Conservator Forest
CF	Conservator Forest
CFT	Cubic Feet
CP&W	Conservator Parks & Wildlife
CKNP	Central Karakoram National Park
CPWA Code	Central Public Works Accounts Code
CGA	Controller General of Accounts
DFO	Divisional Forest Officer
DAG GB	Department of Auditor-General of Gilgit-Baltistan
DNP	Deosai National Park
FRF	Forest Regeneration Fund
FWF	Forest & Wildlife Fund / Forest & Wildlife Force
FC	Frontier Constabulary
FCMP	Forest Conservation & Management Policy
FWB	Forest & Wildlife Board
FDf	Forest Development Fund
FMC	Fund Management Committee
FP&W	Forest Parks & Wildlife
GFR	General Financial Rules
KCBL	Karakoram Cooperative Bank Limited
PAO	Principal Accounting Officer
PPRA	Public Procurement Regulatory Authority
P&DD	Planning & Development Department
PWD	Public Works Department
RoB	Rules of Business
TDR	Terms Deposit Receipt
TDP	Timber Disposal Policy
WLMO	Wild Life Management Officer

EXECUTIVE SUMMARY

The Directorate General of Audit, Gilgit-Baltistan, Gilgit conducted Special Audit of the Forest Regeneration Fund (FRF) for the period 1998-2022. Special Audit of the Forest Regeneration Fund (FRF) was approved by the Auditor-General of Gilgit-Baltistan in the Audit Plan 2022-23.

The Special Audit of the Forest Regeneration Fund (FRF) was conducted during March / April, 2023 with a view to report significant findings to the management with recommendations for improving performance of the Forest Regeneration Fund (FRF).

The Forests, Parks, Wildlife and Environment Department (FPW&ED) Gilgit-Baltistan deals with scientific management of existing public forest estates to maximize production of wood, minor forest produce and to create new forest resources. The FPW&ED is responsible for promotion of social/farm forestry on private lands, establishment of amenity forests and recreational parks. The FPW&ED also educates public on tree planting and provision of technical and advisory services on matters of afforestation to the people and government departments. It also implements the various provisions of Forest Act and rules framed there under. Besides, management of zoological gardens and promotion of wildlife, protection of wildlife by involving community organizations and provision of facilities for trophy hunting in the community protected areas are also the responsibilities of the department.

Key Audit Findings

Following are the key audit findings:

- i. Unauthorized Investment of Fund – Rs. 1,000 million
- ii. Undue retention of funds and loss of Rs.576.114 million
- iii. Revenue loss due to late issuance of TDR - Rs. 21.30 million
- iv. Mis-use of fund and loss of Rs.155.24 million
- v. Misuse of Forest Vehicles by other departments - Rs.49.792 million
- vi. Irregular execution of works - Rs. 89.405 million
- vii. Non-retrieval of Forest Regeneration Fund – Rs. 51.651 million
- viii. Improper utilization of land for afforestation and plantation of small cuttings/ siblings in nurseries

- ix. Irregular deployment of FC instead of forest wildlife force – Rs.24.760 million
- x. Shortfall in timber assessed 0.436 CFT
- xi. Non-auction of left-over timber after expiry of timber disposal policies 1,572,259 CFT - Rs. 776.021 million
- xii. Non-recovery on account of transportation of illegal timber - Rs. 7.458 million
- xiii. Irregular expenditure on purchase of vehicles – Rs.20.00 million
- xiv. Failure of the department to protect natural forest in Diamer Region
- xv. Improper utilization of Forest Resources

Recommendations

In light of the audit observations, the following recommendations are made:

- i. Instructions of Finance Division as well as Investment Strategy of Forest Regeneration Fund (FRF) should be followed in true letter & spirit.
- ii. Delay in re-investment of funds be investigated
- iii. Recovery of outstanding dues from various GB departments may be made without further delay.
- iv. Vehicles may be retrieved from various departments.
- v. Construction works should be carried out in accordance with provision of rules.
- vi. Funds with different offices of forest departments may be transferred to main Forest Regeneration Fund account.
- vii. Land available with forest department may be utilized for afforestation & plantation etc.
- viii. Forest and Wildlife Force be established in accordance with the provisions of the Gilgit-Baltistan Forest Act, 2019.
- ix. Matter for missing timber be investigated.
- x. Non-auction of left-over timber after expiry of the Timber Disposal Policies may be investigated.
- xi. Release of timber without depositing the entire amount may be investigated at an appropriate level.
- xii. Purchase of vehicles without the execution of the development projects may be investigated.
- xiii. Forest Regeneration Fund should be used for specified purposes.

1. INTRODUCTION

The Chief Executive of the Gilgit-Baltistan approved the creation of Forest Regeneration Fund as conveyed vide KANA Division OM No.F312(1)/96-NA-1 dated 12.11.1998 which was established from the proceeds of the cess / penalty and development surcharge levied on logging and export of timber from the Gilgit-Baltistan. Twenty five percent income from entry fee collected from National Parks and Trophy Hunting was required to be deposited in to the fund account. A committee under the Chief Executive was constituted to manage the fund, approve plans and allocate funds. During the period from 1998-99 to 2021-22 an amount of Rs.2,370.164 million was deposited in FRF against which an expenditure of Rs.478.600 million was made.

1.1 Forest Regeneration Fund objectives

- Conservation, regeneration and sustainable development of Forests in Gilgit-Baltistan.
- Rehabilitation of depleted and cut over forests and infrastructure development in Gilgit-Baltistan.
- Promoting and enhancing the contribution of forestry and renewable natural resources sector to sustainable development of Gilgit-Baltistan.

1.2 The main objectives of the audit were to assess whether:

- The fund was managed and maintained in accordance with provisions of the Act and rules etc.
- The objectives for which the fund was established have been achieved.
- The government share was deposited into fund account.
- Whether the management adopted due procedure to utilized the Fund.
- The investment was made in line with government instructions.
- The community share of park entry fee and wildlife hunt fee was properly distributed amongst the communities

2. AUDIT SCOPE AND METHODOLOGY

2.1 Audit Scope

The main scope of audit was to scrutinize the accounts of the fund covering the period from 1998-99 to 2021-22 which included the revenue receipts and its deposit into FRF. The scope also included the review of expenditure on different activities besides administrative expenses.

2.2 Audit Methodology

Audit methodology included review of expenditure incurred, assessment of procurements made, and ascertaining effectiveness of monitoring and evaluation mechanism on their completed and ongoing schemes and maintenance of accounts. During audit execution, information was gathered on the basis of documents reviewed, field visits and discussion with focal person.

3. AUDIT FINDINGS AND RECOMMENDATIONS

3.1 Organization and Management

3.1.1 Non-formulation of forest conservation and management policy & strategy

Section 6 (1) of the Gilgit-Baltistan Forest Act, 2019 states that the government shall, subject to sub-section (5), formulate a Forest Conservation and Management Policy and Strategy (FCMPS) at least once every five years in accordance with which forests and other allied renewable natural resources shall be protected, conserved, developed, managed, and regulated.

The forest conservation and management policy and strategy prescribe principles, objectives, standards, indicators, procedures and incentives for the protection, conservation, development, management and sustainable utilization and control of forests and other allied renewable natural resources.

During Special Audit of Forest Regeneration Fund (FRF) for the period 1998-99 to 2021-22, it was observed that the forest department did not formulate Forest Conservation and Management Policy and Strategy to protect and conserve forest and other renewable natural resources.

Non-formulation of Forest Conservation Policies resulted in deforestation, biodiversity decline and climate change, affecting ecosystems and communities.

Audit is of the view that irregularity occurred due to non-adherence to provision of Forest Act, 2019.

The irregularity was pointed out during May 2023 to which it was replied that since the issue pertains to policy matter, which is being dealt on top priority.

The reply was not accepted as the management did not formulate Forest Conservation and Management Policy and Strategy in line with provision of the Act despite lapse of considerable time.

DAC in its meeting held on 14.06.2023 directed the management to formulate the Forest Conservation and Management Policy & Strategy and get it approved from the competent forum.

Audit recommends that the decision of the DAC may be implemented.

3.1.2 Non-establishment of forest and wildlife Board

Section 10 of the Gilgit-Baltistan Forest Act 2019 states that as soon as may be, after the commencement of this Act, Government shall establish a Board to be called the Gilgit-Baltistan Forest and Wildlife Board.

The Board shall consist of-

- Chairperson; and
- Such number of official and non-official members as may be determined by the Government.
- The Chief Minister of Gilgit-Baltistan shall be the Chairperson of the Board.
- Government may make rules on the functions and composition of the Board under this act.

During Special Audit of Forest Regeneration Fund (FRF) for the period 1998-99 to 2021-22, it was noted that despite the lapse of considerable time, the Forest Department neither established Gilgit-Baltistan Forest and Wildlife Board nor made rules on its composition and functions.

The board is apex body, therefore without a Forest and Wildlife Board, there is no centralized authority to oversee the affairs of conservation efforts and wildlife management which could lead to misuse of natural resources, deforestation, loss of biodiversity and threats to endangered species.

Audit is of the view that the irregularity occurred due to non-adherence to provision of Gilgit-Baltistan Forest Act, 2019.

The irregularity was pointed out during May 2023 to which it was replied that the rules are being framed for submission to the GB Government, after approval of these rules, Forest & Wildlife Board shall start its functions.

DAC in its meeting held on 14.06.2023 directed the management to establish Gilgit-Baltistan Forest and Wildlife Board and formulate rules to regulate its functions.

Audit recommends that Forest & Wildlife Board may be established besides formulation of rules in line with provision of the Act.

3.1.3 Non-preparation of rules to prohibit/ regulate cutting etc.

Section 45(1)(a) of the Gilgit-Baltistan Forest Act 2019, states that government may make rules to prohibit or regulate the matters, namely such as cutting, felling, sawing, converting, obtaining, storing, selling, transporting, and removing of trees and timber, as well as the collection, manufacture, and removal of forest produce from protected forests.

Section 45(1)(b) of the Act further states that granting of licenses or permits to the inhabitants of town and villages and the community-based organization in the vicinity of protected forests to take trees, timber or other forest produce from forest for their own use, or for the purpose of trade, and the production and return of such licenses or permits by such persons or organization”.

During Special Audit of Forest Regeneration Fund (FRF) for the period 1998-99 to 2021-22, it was observed that forest department issued permits for cutting of timber measuring 5.409 million CFT during the period 2007 to 2017.

Audit observed that the Forest Department did not prepare rules to regulate the matters, regarding cutting, felling, sawing, converting, obtaining, storing, selling, transporting, and removing of trees and timber, as well as the collection, manufacture, and removal of forest produce from protected forests according to the Gilgit-Baltistan Forest Act 2019.

Audit is of the view that the irregularity occurred due to non-adherence to provision of Forest Act, 2019. Non-preparation of rules is not only violation of the Gilgit-Baltistan Forest Act, 2019 but also resulted in uncontrolled deforestation and logging activities.

The irregularity was pointed out during May 2023 to which it was replied that the government issued notification regarding implementation/execution of Forest Work Plan in Private Forests of Diamer District. However, after approval of the Work Plan, the communities and the forest lessees will protect their forests at their own. The department is also launching a mega regeneration plan in the Diamer District to protect natural regeneration in the forests.

The reply was not accepted as the management has not formulated rules in accordance with the provision of section 45 of the Gilgit-Baltistan Forest Act 2019.

DAC in its meeting held on 14.06.2023 directed the management to formulate the rules to regulate the cutting, licenses or permits as per provision of the Act.

Audit recommends that the decision of the DAC may be implemented.

3.1.4 Non-formulation of rules for protection, regulation and sustainable development of private forests

Section 57 of the Gilgit-Baltistan Forest Act 2019 states the Government may make rules for the protection, regulation, sustainable development and management of the following matters in private forests namely:-

- a) forest produce with respect of which there is reason to believe that a forest offence has been committed together with all tools and cattle used in committing, such offence; and
- b) powers and duties of forest officers;
- c) sale and removal of forest produce;
- d) hunting, shooting, fishing, grazing and herding of cattle in the forest;
- e) burning of lime, making a charcoal, quarrying of stone or any mineral in the forest;
- f) exercise of rights and privileges of the people on the forest,
- g) conduction and trial of forest offences,
- h) seizure generally for carrying out the purposes of this Act

During Special Audit of Forest Regeneration Fund (FRF) for the period 1998-99 to 2021-22, it was observed that private forest consisting of 927.85 Sq km in Diamer is owned by the community.

Audit observed that despite lapse of considerable period, the department did not formulate any rules to regulate the private forests.

Audit is of the view that absence of rules for private forest protection resulted in uncontrolled deforestation, biodiversity loss, and socio-economic conflicts besides reduction in carbon emission and hampering sustainable growth. The irregularity was pointed out during May 2023 to which it was replied that since the issue pertains to policy matters, which is being focused on top priority.

DAC in its meeting held on 14.06.2023 directed the management to formulate the rules for protection, regulation and sustainable development of private forest and get them approved from the government.

Audit recommends that the decision of the DAC may be implemented.

3.1.5 Non-framing of rules to regulate the forest regeneration fund- Rs.2,440.562 million

Forest Regeneration Fund was established vide KA&NA Division OM No. F312(1)/96-NA-1 dated 12.11.1998 for deposit of proceeds of the cess, penalty, development surcharge levied on logging and export of timber from the Gilgit-Baltistan and 25% income from entry fee of National Parks & 20% Trophy Hunting fee.

Section 11 of the Gilgit-Baltistan Forest Act 2019 states that there shall be established a Fund to be known as Forest and Wildlife Fund vested in the Department. The Fund shall be raised and administered in a manner as may be prescribed.

Section 14 of the Gilgit-Baltistan Forest Act 2019 states that the Fund shall be used for improvement and development of Forests, Forest Ecosystems, Protected Areas, wastelands and river beds; preparation of forest management plans; conduct of forest surveys and forest inventories etc.

During Special Audit of Forest Regeneration Fund (FRF) for the period 1998-99 to 2021-22, it was noted that the Forest Department is maintaining Forest Regeneration Fund (FRF) account at National Bank of Pakistan, Main Branch

Gilgit. All receipts on account of sale of timber, trophy hunting fee, park entry fee and interest on investment realized by the department was deposited in the fund account. As on 30.06.2022 funds of Rs.2,440.562 million were available in the fund.

Audit observed that the department has neither framed any rules nor any procedure for maintenance and utilization of the Forest Regeneration Fund.

Audit is of the view that non-preparation of rules is not only the violation of the provision of the act but in absence of rules the funds can be misused.

The irregularity was pointed out during May 2023 to which it was replied that since operating procedure of the Forest Regeneration Fund is clear and there is no ambiguity in the uses of FRF as per Section-12 to 14 of GB Forest Act, 2019. Moreover, a strategy/formula for investment of FRF is also approved, therefore there is no need of any other operating procedure for FRF.

The reply was not accepted as Section 14 of the Act stipulates the use of funds for improvement and development of forest, whereas, audit objected non-framing of rules to regulate the forest regeneration fund which are required to be formulated in light of Section 11 of Forest Act.

DAC in its meeting held on 14.06.2023 directed the management that the proper rules and Standard Operating Procedure may be got approved from government.

Audit recommends that the decision of the DAC may be implemented.

3.1.6 Shortfall in timber assessed 0.436 CFT

Para 1(b) of Federal Cabinet decision on Disposal of legally and illegally cut Timber as circulated vide No. F.12(1)/96-NA-1 dated 29.02.2008 states that any leftover quantity of the timber should be confiscated and disposed of in accordance with the rules.

During Special Audit of Forest Regeneration Fund (FRF) for the period 1998-99 to 2021-22, it was noted that an assessment of timber was carried out during 2008 and subsequently fresh assessment was made during 2011 as per following details: -

a) Assessment of timber carried out in 2008

(CFT in million)

S. No.	Category of timber	Assessed / Reported volume of timber (CFT)	Transported volume of timber (CFT)	Balance / Left over of timber (CFT)
1	Illegal timber	3.222	0.850	2.372

b) Fresh assessment of timber carried out in 2011

(CFT in million)

S. No.	Category of timber	Balance / left over timber (CFT)
3	Illegal timber	1.936

Audit observed that as per assessment carried out during 2011, the volume of illegal timber was 1.936 CFT million as compared with 2.372 CFT million left over balance of assessment made during 2008, which resulted in shortage of 0.436 CFT.

Audit is of the view that the missing of illegal timber of 0.436 CFT resulted in loss to government.

The irregularity was pointed out during May 2023 to which it was replied that before issuance of transportation passes, actual measurement was carried out and list of the timber was prepared through field staff. Since the timber was purely owned by the individuals and they were authorized to use timber for construction of their residential houses, shops etc. and further for their domestic use.

The reply was not accepted as the left over / balance timber was under the custody of Forest Department etc.

DAC in its meeting held on 14.06.2023 directed the management for construction of centralized depot to store the confiscated timber.

Audit recommends that the decision of the DAC may be implemented.

3.1.7 Non-auction of left-over timber after expiry of policies 1,572,259 CFT - RS. 776.021 million

Para 1(b) of Federal Cabinet decision on disposal of legally and illegally cut timber as circulated vide No. F.12(1)/96-NA-1 dated 29.02.2008 states that any leftover quantity of the timber should be confiscated and disposed of in accordance with the rules.

Para 1(ix) of Gilgit-Baltistan Council Secretariat, Islamabad letter No.C.6(1)/2011-GBC dated 16.11.2017 on disposal of legally and illegally cut timber in district Diamer, Gilgit-Baltistan states that this shall be the last amnesty scheme and in future all illegally cut timber shall be confiscated by the Forest Department and auctioned within three months.

During Special Audit of Forest Regeneration Fund (FRF) for the period 1998-99 to 2021-22, it was noted that according to the decisions of the Federal Cabinet and Gilgit-Baltistan Council for disposal of legal & illegal timber during 2008 & 2017, the left over timber as evident from the record provided by the management was required to be auctioned within the shortest possible time. Details are as under:

TDP-2008

(Quantity in CFT)

S. No.	Name of Formation	Type of timber	Total assessed timber	Total transported timber	Left over timber	Average rate of timber (TDP 2008)	Amount (Rs.)
1	DFO, Chilas	Deodar, Kail, Fir (legal / illegal)	2,424,129	1,567,613	856,516	309	264,663,444
2	DFO, Darel – Tangir	Deodar, Kail, Fir (illegal)	1,055,386	339,643	715,743	309	221,164,587
Total			3,479,515	1,907,256	1,572,259		485,828,031

TDP-2017

(Quantity in CFT)

S. No.	Name of Formation	Type of timber	Total assessed timber	Total transported timber	Left over timber	Average rate of timber (TDP 2017)	Amount (Rs.)
1	DFO, Chilas	Deodar, Kail, Fir (legal / illegal)	1,180,194	699,991	480,203	433	207,927,899
2	DFO, Darel	Deodar,	749,895	559,906	189,989	433	82,265,237

	– Tangir	Kail, Fir (illegal)					
Total			1,930,089	1,259,897	670,192		290,193,136
Grand Total			5,409,604	3,167,153	2,242,451		776,021,167

Source: Information provided by the respective DFOs.

Audit observed that the department did not auction the leftover timber within three months after the expiry of the Timber Disposal Policies resultantly the government sustained loss of Rs.776.021 million.

Audit is of the view that non-auction of leftover timber was violation of the instructions of the Federal Cabinet as well as Gilgit-Baltistan Council Secretariat.

The irregularity was pointed out during May 2023 to which it was replied that timber depots have been established at the approved sites and funds have also been allocated for shifting of left-over timber from various scattered depots, nullahs and forests to the designated depots for dumping and proper measurement. After complete shifting, the timber will be disposed/destroyed with the approval of the government accordingly.

The reply is not satisfactory as the management did not auction the identified timbers within approved time lines of the timer disposable policies 2008 & 2017.

DAC in its meeting held on 14.06.2023 referred the para to PAC to decide its fate.

Audit recommends that the leftover timbers may be disposed of immediately as per prevailing policies.

3.1.8 Non-disposal of left-over timber after expiry of timber disposal policy – 305,710.12 CFT

Section 3(6) of the Gilgit-Baltistan Forest Act 2019 read with amendment issued on 22.06.2020 states that the government shall not have the power to approve and execute amnesty schemes or disposal policy for any illegal extracted timber from private Forests and Protected Forests. All such illegally extracted timber shall be seized, confiscated and destroyed by the Government through the Department. For this purpose, a Forest Officer not below the rank of DFO with

prior approval of Chief Conservator of Forest shall execute the destruction of such wood at approved sites as deemed appropriate by the Department.

During Special Audit of Forest Regeneration Fund (FRF) for the period 1998-99 to 2021-22, it was noted that leftover timbers as detailed given below were in the custody of Divisional Forest Officer, Chilas & Darel-Tangir after completion of Timber Disposal Policy:

(Quantity in CFT)

S. No.	Name of Formation	Type of timber	Total assessed timber	Total transported timber	Left over timber
1	DFO, Chilas	Deodar, Kail, Fir (legal / illegal)	731,304.71	471,110.34	260,194.37
2	DFO, Darel – Tangir	Deodar, Kail, Fir (illegal)	424,476	378,960.25	45,515.75
Total			1,155,780.71	850,070.59	305,710.12

Audit observed that the department did not dispose of the leftover timber in light of Gilgit-Baltistan Forest Act, 2019 due to laxity on the part of management.

Audit is of the view that non-disposal of the leftover timber is violation of the Gilgit-Baltistan Forest Act, 2019.

The irregularity was pointed out during May 2023 to which it was replied that an amendment in the GB Forest Act 2019 has been proposed in 2020 to enable the department to confiscate and auction the leftover timber and after amendment in Forest Act the leftover timber will be auctioned accordingly.

The reply is not satisfactory as the department could not dispose of the leftover timber in accordance with provision of the act.

DAC in its meeting held on 14.06.2023 directed the management to pursue the case for revision of GB Forest Act.

Audit recommends that the decision of the DAC may be implemented.

3.2 Human Resource Management

3.2.1 Irregular deployment of FC instead of forest wildlife force – Rs.24.760 million

Section 9 of Gilgit-Baltistan Forest Act 2019 provides that the entire Forest and Wildlife Establishment under Government, excluding ministerial staff, for the purpose of this Act is deemed to be a Forest and Wildlife Force and shall be constituted in the prescribed manner by the Government.

During Special Audit of Forest Regeneration Fund (FRF) for the period 1998-99 to 2021-22, it was noted that the management deployed FC for Protection and Conservation of Forests & Wildlife Resources in Natural Forest & Protected areas in GB. The salaries and other cost of the FC employed is being paid through a development project costing Rs.30.00 million. The management incurred an expenditure of Rs. 24.760 million up to 30.06.2022.

Audit observed that forest department did not establish forest wildlife force in GB. The responsibility of conservation of forests was assigned to FC.

Audit is of the view that non-establishment of forest & wildlife force and deployment of FC was violation of provision of Forest Act 2019.

The irregularity was pointed out during May 2023 to which it was replied that the FC was deployed for protection of forests in critical valleys / points / forests in GB especially in forest resource rich districts of Diamer, Gilgit and Astore, where forest cuttings, illegal loggings, encroachments, smuggling and other offences were not possible to stop without using force and a dedicated force in this effect was inevitable. This stopgap arrangement was made in the best interest of forest and wildlife conservancy till establishment of the force.

DAC in its meeting held on 14.06.2023 directed the management to replace the services of FC by establishing the Forest & Wildlife Force in accordance with the provision of the GB Forest Act 2019. DAC further directed that the roles, functions, duties, and job descriptions of the Force may also be prepared and got approved from the government.

Audit recommends that the decision of the DAC may be implemented.

3.3 Financial Management

3.3.1 Unauthorized investment – Rs.1,000 million

Finance Division O.M. No. F.4(1)/2002-BR-11 dated 02.07.2003 read with O.M. No. F.4(1)/2002-BR-11, dated 22.09.2005 states that for the sake of the safety and security of deposits, the banks / financial institutions taking a deposit should have a minimum “A” rating as appearing on the web-site of the Credit Rating Agency. The process of selection of bank/(s) should be transparent and prior to placing deposits with a bank under this new policy, and in case the total working balances exceed Rs.10 million, the selection of the bank/(s) as well as the terms deposits will be approved by the concerned Board of Directors / Governing Body on the basis of competitive bids from at least three independent banks.

As per Investment Strategy of FRF issued vide Chief Conservator Office letter No.CCF-6(2)/2018 dated 03.07.2018, the Terms Deposit Receipts (TDRs) will be kept in maximum three high profit rate offering schedule banks having at least AA+ / A1+ credit rating in long / short terms. TDRs will be invested for a minimum period of three years and investment against TDRs will be made inviting rates from the banks through open competition. Funds more than 50% of total principle amount will not be kept in a single bank.

During Special Audit of the Forest Regeneration Funds (FRF) for the period 1998-99 to 2021-22, it was noted that an amount of Rs.1,000 million was invested by the department in non-scheduled bank i.e. Karakoram Cooperative Bank Limited (KCBL).

Audit observed as under:

- i) The Chief Minister, Gilgit-Baltistan in a meeting held on 10.10.2018 directed to reinvest the Forest Regeneration Fund (FRF) in a fair and transparent manner, as per past practice, place the funds under TDRs in Schedule Banks on the highest interest rates offered.
- ii) Whereas the funds were invested in Karakoram Cooperative Bank Limited (KCBL) without open competition in violation of Finance Division & CM instructions.
- iii) The funds were placed / invested in Karakoram Cooperative Bank Limited (KCBL) with the assumption that KCBL would attain the status of

scheduled bank within six months. However, the KCBL had not attained the status of a scheduled bank so far.

Audit is of the view that the investment in KCBL was made in violation of the Finance Division's, CM instructions as well as Investment Strategy of the Forest Department.

The irregularity was pointed out during May 2023 to which it was replied that as per government instructions, a formula / strategy was prepared and approved by the committee for investment of FRF in a transparent manner and the principal amount of FRF has been invested in TDRs and the working balances in Daily profit accounts.

The reply was not accepted as the investment was made in non-scheduled bank in violation of Finance Division's and CM instructions.

DAC in its meeting held on 14.06.2023 directed to provide the bidding documents of investment of the funds for verification.

Audit recommends that the responsibility may be fixed for investment of funds in non-scheduled bank.

3.3.2 Undue retention of funds and loss of Rs.576.114 million

Finance Division O.M. No. F.4(1)/2002-BR-11 dated 02.07.2003 read with O.M. No. F.4(1)/2002-BR-11, dated 22.09.2005 states that for the sake of the safety and security of deposits, the banks / financial institutions taking a deposit should have a minimum "A" rating as appearing on the web-site of the Credit Rating Agency. The process of selection of bank/(s) should be transparent and prior to placing deposits with a bank under this new policy, and in case the total working balances exceed Rs.10 million, the selection of the bank/(s) as well as the terms deposits will be approved by the concerned Board of Directors / Governing Body on the basis of competitive bids from at least three independent banks.

As per Investment Strategy issued vide Chief Conservator Office letter No.CCF-6(2)/2018 dated 03.07.2018, the TDRs will be kept in maximum three high profit rate offering schedule banks having at least AA+ / A1+ credit rating

in long / short terms. TDRs will be invested for a minimum period of three years and investment against TDRs will be made inviting rates from the banks through open competition. Funds more than 50% of total principle amount will not be kept in a single bank.

During the Special Audit of the Forest Regeneration Funds for the years 1998-99 to 2021-2022, it was noted that investment of Rs.1,650 million was matured on 11.11.2019 and re-invested on 17.06.2022.

Audit observed that the fund of Rs.1,650 million remained un-invested from 12.11.2019 to 16.06.2022 i.e. almost two years and eight months (948 days), which resulted in loss of expected Rs.576.114 million (Rs.1,650 million x 12.47 (approximately) x 2.8 years/100 = 576.114 million).

Audit is of the view that the loss occurred due to negligence of the department and non-adherence of the government instructions.

The irregularity was pointed out during May 2023 to which it was replied that after a long process, tender for investment of FRF was invited from the scheduled banks excluding KCBL as per financial rules and PPRA Rules. However, the process was challenged by the KCBL in Civil Court, Gilgit who issued interim injunction and restrained the department to process the proceeds further. After a long court battle, department was able to finalize the tender proceedings. Due to above circumstances, timely investment of the fund was delayed.

The reply was not satisfactory as the management was required to prepare a proper plan for investment of such huge funds available with them.

DAC in its meeting held on 14.06.2023 directed to provide the bank(s) record for the placement of Rs.1,650 million during the gap period (maturity to re-investment).

Audit recommends that issue may be investigated at appropriate level for fixing the responsibility.

3.3.3 Loss due to late issuance of TDR - Rs. 21.30 million

Rule 23 of GFR Vol-I states that every Government officer should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government officer to the extent to which it may be shown that he contributed to the loss by his own action or negligence.

During the Special Audit of the Forest Regeneration Funds for the years 1998-99 to 2021-22, it was noted that the department issued a cheque of Rs.1,125 million to NBP for issuance of TDR.

Audit observed that National Bank of Pakistan, Gilgit issued TDR with a delay of 54 days i.e. on 01.08.2022. Due to inordinate delay in the issuance of TDR the department sustained loss of Rs.21.30 million (i.e. Rs.1,125 million X 12.8 (interest rate) / 365 x 54 days).

Audit is of the view that due to non-issuance of TDR in time by the National Bank of Pakistan, Gilgit, the department sustained a loss of Rs.21.30 million.

The irregularity was pointed out during May 2023 to which it was replied that a displeasure has been issued to NBP and they have been asked to justify the matter and to compensate the loss. A meeting with the Zonal Chief of NBP, Gilgit-Baltistan is being scheduled to settle the issue.

DAC in its meeting held on 14.06.2023 directed to schedule a meeting with the bank authorities for recovery of interest amount of Rs.21.30 million.

Audit recommends amount may be recovered and deposited into Fund account.

3.3.4 Mis-use of Forest Regeneration Fund and loss of Rs.155.24 million

Forest Regeneration Fund was established vide KANA Division OM No. F312(1)/96-NA-1 dated 12.11.1998 for deposit of proceeds of the cess, penalty, development surcharge levied on logging and export of timber from the Gilgit-

Baltistan and 25% income from entry fee of National Parks & 20% Trophy Hunting fee.

The uses of funds are as follow: -

- i. Conservation, regeneration and sustainable development of Forests in Gilgit-Baltistan.
- ii. Enhancing government sources for rehabilitation of depleted and cut over forests and infrastructure development in Gilgit-Baltistan.

During Special Audit of Forest Regeneration Fund (FRF) for the period 1998-99 to 2021-22, it was noted that Forest Regeneration Funds Disbursement Committee granted loans of Rs.144.154 million to various departments of Gilgit-Baltistan on recoupment basis. Details are as under: -

(Rs. in million)

S. No	Name of Department	Date of amount transferred	Amount transferred	Amount recovered	Expected Loss due to retention of funds / loans @ 10% (approx.)
1	Secretary Works NAPWD (Power Deptt) for Procurement of 500KW diesel generator for Chilas Town	19.02.2003	7.260	Nil	13.79
2	Chief Executive NAs through Secretary Finance NAs for purchase of one five door and two pick ups	13.11.2003	11.500	Nil	20.70
3	Secretary Works NAPWD (Power Deptt) for execution of works under special package for Diamer	21.08.2004	9.000	Nil	15.30
4	Secretary Works NAPWD for execution of works under special package for Diamer	10.05.2005	5.060	Nil	8.60
5	Secretary Water & Power and LG&RD for establishment of Micro Hydel Project at Babusar Chilas	28.03.2008	6.316	Nil	8.84
6	Secretary Works, W&P and LG&RD for reconstruction of damaged projects in Diamer District	28.03.2011	105.018	25.00	88.01
Total			144.154	25.00	155.24

Audit observed as under: -

- i. The grant of loan to other departments was neither covered in the rules nor was FRF disbursement committee empowered to grant such loans.
- ii. The loans were granted on recoupment basis, however the department recovered only Rs.25.00 million so far leaving a balance of Rs.119.154 million.
- iii. The surplus funds could have been invested in different investment schemes, therefore, keeping in view the expected rate of return, the subject loans to other departments resulted in loss of Rs.144.154 million to the government.

Audit is of the views that due to non-recovery of outstanding dues the department sustained a loss of Rs.119.154 million as the huge fund remained uninvested outside FRF. The loss occurred due to ineffective financial controls.

The irregularity was pointed out during May 2023 to which it was replied that the matter will be taken with the higher authorities for early recoupment of Rs.119.154 million to the Forest & Wildlife Fund.

DAC in its meeting held on 14.06.2023 directed the department to initiate a summary to the Chief Minister GB for making arrangement to recoup the loans granted to different departments on recoupment basis.

Audit recommends that the matter for early recoupment of funds alongwith interest be taken up with the departments besides fixing the responsibility for irregularity.

3.3.5 Irregular execution of Civil Work - Rs. 89.405 million

Para 209 (d) of CPWA code states that payments for work done or supplies made should be based on the quantities recorded in the measurement book.

During the Special Audit of the Forest Regeneration Fund for the years 1998-99 to 2021-22, it was noted that an expenditure of Rs.89.405 million was incurred on construction, repair and renovation of offices & residences works under the different projects related to the Forest Department as per **Annexure-A**.

Audit observed that Measurement Books were not maintained to substantiate the work done and to authenticate the payments.

Audit is of the view that the irregularity was occurred due to non-observance of rule.

The irregularity was pointed out during May 2023 to which it was replied that as per Para-190 of the GFR, the forest department among others has been authorized by Government to execute all or specified classes of departmental works without reference to the Public Works Department. Accordingly, all such civil works were undertaken by the department at its own.

The reply was not accepted as the basic record i.e. Measurement Book, technical sanctions as required under GFR 190 were not maintained by the department to substantiate the expenditure.

DAC in its meeting held on 14.06.2023 directed the department to initiate a case for amendments in GB Rules of Business 2009 by insertion the execution of Civil Works by the Forest Department as per provision of Para-190 of GFR.

Audit recommends that the decision of the DAC may be implemented.

3.3.6 Loss due to non-investment of Forest Regeneration Fund - Rs.22.714 million

The Forest Regeneration Fund Disbursement/Re-investment Committee in its meeting held on September 5, 2019 had decided that the amount collected on account of FRF / FDF / Trophy Hunting Fee & Park Entry Fee may be transferred into centralized account maintained in National Bank of Pakistan, Main Branch Gilgit. The decision of the Committee was circulated to all Conservators of Forest, Gilgit, Chilas, Skardu & DFOs / WLMO vide letter No.FW&E-6(4)/F/2019 dated 29.10.2019 for compliance.

During the Special Audit of the Forest Regeneration Fund (FRF) for the years 1998-99 to 2021-2022, it was noted that the department received Rs. 227.145 million (Rs.17.488 million DNP, Skardu & Rs.209.657 million Conservator, Forest & Wildlife, Gilgit) on account of Govt. share for Park Entry

Fee from 1999 to 2022 and Trophy Hunting Fee from 2014 to 2022 respectively. The funds were placed in current account in banks as per following details: -

a) Wild Life Management Officer (WLMO), Deosai National Park, Skardu

S. No.	Year	Total amount received	75% Community Share	25% Govt. Share	Loss @ 10% on Govt. share (approx.)
1	1999	9,620	7,215	2,405	240
2	2000	106,700	80,025	26,675	2,667
3	2001	113,020	84,765	28,255	2,825
4	2002	17,680	13,260	4,420	442
5	2003	33,340	25,005	8,335	833
6	2004	78,840	59,130	19,710	1,971
7	2005	84,580	63,435	21,145	2,114
8	2006	105,280	78,960	26,320	2,632
9	2007	127,460	95,595	31,865	3,186
10	2008	157,093	117,820	39,273	3,927
11	2009	144,920	108,690	36,230	3,623
12	2010	78,580	58,935	19,645	1,964
13	2011	247,000	185,250	61,750	6,175
14	2012	217,600	163,200	54,400	5,440
15	2013	263,200	197,400	65,800	6,580
16	2014	261,160	195,870	65,290	6,529
17	2015	604,960	453,720	151,240	15,124
18	2016	1,265,760	949,320	316,440	31,644
19	2017	3,351,850	2,513,888	837,962	83,796
20	2018	5,272,610	3,954,458	1,318,152	131,815
21	2019	5,881,080	4,410,810	1,470,270	147,027
22	2020	4,166,112	3,124,584	1,041,528	104,152
23	2021	20,236,380	15,177,285	5,059,095	505,909
24	2022	27,130,517	20,347,888	6,782,629	678,262
Total		69,955,342	52,466,508	17,488,834	1,748,877

b) Conservator Forest and Wildlife Department Gilgit

S. No.	Amount in Bank Al-Falah	Amount in Habib Metropolitan Bank	Total Amount	Loss @ 10% on Govt. share (approx.)
1	136,229,157	73,427,938	209,657,095	20,965,709

Audit observed as under: -

- i. The WLMO, DNP Skardu retained Rs.17.48 million on account of Park Entry Fee for the period 1999 to 2022 into current account instead of transferring the funds to FRF main account at National Bank of Pakistan, Main Branch, Gilgit for investment resultantly the department sustained loss of Rs.1.74 million.
- ii. Similarly, the Conservator Forest & Wildlife, Gilgit retained Rs.209.657 million of Trophy Hunting Fee from 2014 to 2022 in current account instead of transferring the funds to FRF main account at National Bank of Pakistan, Main Branch, Gilgit for investment resultantly the department sustained loss of Rs.20.966 million.
- iii. The community share which comes to Rs.52.466 million was not transferred to the respective community

Audit is of the view that due to non-transfer of Government share for further investment purposes, the Forest Department sustained loss of Rs.22.714 million (Rs.1.748 + Rs.20.966).

The irregularity was pointed out during May 2023 to which it was replied that due to boundary issues between Baltistan and Astore, the community share has not been distributed so far. Moreover, the right holder communities of both Baltistan and Astore have not yet been registered their committee despite repeated requests. After settlement of the boundary issues, the amount will be deposited into the concerned accounts.

The department replied the observation relating to non-distribution of community share whereas the observation relating to retention of fund into current account instead of transferring the funds into main account was not replied.

DAC in its meeting held on 14.06.2023 directed the management to transfer the Government share of Trophy hunting and Park entry fee into centralized account. In future such funds shall be transferred in the centralized account on case to case basis without delay.

Audit recommends that responsibility may be fixed for retention of FRF fund outside of main account.

3.3.7 Non-retrieval of funds from GBC and non-utilization on forest regeneration activities – Rs. 51.651 million

According to Para VII of the Disposal of Legally and Illegally Cut Timber in District Diamer, Gilgit-Baltistan, as outlined in letter No. C-6(1)/2011-GBC dated 15.03.2013, all revenues generated from harvesting activities should be deposited in the Consolidated Fund of the Gilgit-Baltistan Council and subsequently released to the Gilgit-Baltistan Forest Regeneration Fund on need basis and Section 14 of Gilgit-Baltistan Forest Act 2019 states that the Fund (Forest Regeneration Fund) shall be used for improvement and development of Forests, Forest Ecosystems, Protected Areas, wastelands and river beds, preparation of forest management plans etc.

The Forest Regeneration Fund Disbursement / Re-investment Committee had decided that the amount collected on account of FRF / FDF / Trophy Hunting Fee & Park Entry Fee may be transferred into centralized account maintained in National Bank of Pakistan, Main Branch, Gilgit. The decision of the Committee was circulated to all Conservators of Forest, Gilgit, Chilas, Skardu & DFOs / WLMO vide letter No.FW&E-6(4)/F/2019 dated 29.10.2019 for compliance.

During the Special Audit of the Forest Regeneration Fund (FRF) for the years 1998-99 to 2021-2022, it was noted that an amount of Rs.51.651 million collected from the Timber Disposal Policy 2013 was deposited into the Gilgit-Baltistan Council Consolidated Fund as per details given below:

S. No.	Name of Division	Bank Name, Cheque No & Date	Amount (Rs)
1	Chilas Forest Division	Faysal Bank Chilas 0050767213 dt:02.10.2013	34,680,968
2	-do-	HBL Chilas 159889001 dt:02.10.2013	15,804,624
3	-do-	HBL Chilas 15989001 dt:02.10.2013	782,398
4	D/Tangir Forest Division	Bank Islami Chilas 00000033977 dt: 01.10.2013	372,872
5	-do-	Bank Islami Chilas 00000033427 dt: 01.10.2013	10,251
Total			51,651,113

Audit observed that the amount collected during the Timber Disposal Policy 2013 was required to be utilized for forestry purposes etc. but the

management did not pursue the case for withdraw of fund from Gilgit-Baltistan Consolidated fund for its utilization on forest regeneration activities.

Audit is of the view that due to non-pursuance of the provision of Timber Disposal Policy, 2013 the huge amount remained un-utilize.

The irregularity was pointed out during May 2023 to which it was replied that a case is being taken-up with GB Council for retrieval of funds.

DAC in its meeting held on 14.06.2023 directed the management to receive back the funds from GB Council.

Audit recommends that the decision of the DAC may be implemented.

3.3.8 Less-recovery on account of transportation of illegal timber - Rs.7.458 million

Gilgit-Baltistan Council Secretariat, Islamabad letter No.C.6(1)/2011-GBC dated 15.03.2013 states that the illegally cut timber shall be released only after imposing fine which will apply to all types of timber / trees not marked by the Forest Department for felling / cutting even if this illegal cutting was done in leased forest.

During the Special Audit of the Forest Regeneration Fund (FRF) for the years 1998-99 to 2021-2022, it was noted that transport passes bearing numbers 160 and 182 were issued to Mr. Muhammad Wakeel, R/O Rawalpindi for illegal cut of timber during the Timber Disposal Policy 2013. The contractor was required to deposit an amount of Rs.12.444 million for transportation of illegal timber.

Audit observed the following:

- 1) Mr. M. Wakeel was required to deposit an amount of Rs.12.444 million whereas he had deposited only Rs.4.986 million leaving a balance of Rs.7.458 million
- 2) The Forest Department allowed to transport the timber to the contractor despite the facts that the contractor had not deposited the full amount i.e. Rs.12.444 million

- 3) The non-recovery of the entire amount from the contractor on account of transportation of timber was undue favour to the contractor

Audit is of the view that release of timber without depositing the full amount was undue favour and violation of the policy, which resulted in loss of Rs.7.458 million.

The irregularity was pointed out during May 2023 to which it was replied that the permit holder has already been summoned and presently the case is in NAB court. The contractor informed the department that the case has been decided through plea bargain with NAB by depositing an amount of Rs.3,570,000 through Demand Draft No. CC NO-13160955 dated 28-04-2018 of UBL Bank Muzaffarabad AJK in the name of Chairman NAB Islamabad. However, the amount as deposited by contractor has not been transferred by the NAB to GB Forest Department so far.

The reply was not satisfactory as the amount has not been received by the GB forest department despite laps of considerable time.

DAC meeting was held on 14.06.2023 directed the department to approach NAB Gilgit for recovery of said amount.

Audit recommends that the decision of the DAC may be implemented.

3.3.9 Irregular expenditure on purchase of vehicles – Rs.20.00 million

Section 14 of Gilgit-Baltistan Forest Act 2019 states that the Fund (Forest Regeneration Fund) shall be used for improvement and development of Forests, Forest Ecosystems, Protected Areas, wastelands and river beds, preparation of forest management plans etc.

During the Special Audit of the Forest Regeneration Fund (FRF) for the years 1998-99 to 2021-2022, it was noted that the Forest Regeneration Fund (FRF) Disbursement/Re-Investment Committee in its meeting held on 17.03.2020, approved a project costing Rs.20 million for purchase of two (2) touring vehicles (Toyota Fortuner) for the Forest, Wildlife & Environment Department GB. The vehicles were purchased on 04.11.2020.

Audit observed as under:

- The Forest Regeneration Fund (FRF) disbursement committee in its meeting held on 13.10.2019 allocated funds of Rs.20 million for purchase of two Toyota Fortuner vehicles out of the various schemes involving cost of Rs.120 million for development projects related to natural resource management and infrastructure development in four constituencies of Diamer District.
- The projects from which the funds were diverted have not been executed so far.
- The vehicles were purchased for use in Forest Secretariat in addition of vehicles already allocated to the secretariat by the government along-with budgetary allocation.

Audit is of the view that the purchase of vehicles out of FRF fund for other purposes was irregular.

The irregularity was pointed out during May 2023 to which it was replied that the funds were released for procurement of two Toyota Fortuner vehicles after approval of FRF Management Committee in its meeting held on 17.03.2020. The vehicles were procured after fulfilment of all codal formalities. Furthermore, the projects for Diamer District were submitted by the members which was forwarded to P&DD GB as per the decision of FRF Fund Management Committee. The same could not be materialized as yet.

The reply was not accepted as the purchase of vehicles was not in conformity with FRF rules and purposes.

DAC in its meeting held on 14.06.2023 referred the para to PAC to decide its fate.

Audit recommends that issue may be investigated for purchasing the vehicles without approving/executing the schemes in which the provision was made for said vehicles.

3.3.10 Misuse of project vehicles by other departments - Rs.49.792 million

Section 14 of Gilgit-Baltistan Forest Act 2019 states that the Fund shall be used for improvement and development of Forests, Forest Ecosystems, Protected Areas, wastelands and river beds, preparation of forest management plans etc.

During the Special Audit of the Forest Regeneration Fund (FRF) for the years 1998-99 to 2021-2022, it was noted that the forest department procured 13 vehicles at a cost of Rs.49.792 million against various development projects out of Forest Regeneration Fund as details below:

S. No.	Vehicle No, Make & Model	Name of Project	Cost of the vehicle (Rs. in million)	Placed at the disposal
1.	GLTA-5298 Toyota Lexis 2005	Through Secretary Finance GB	11.500	Governor Secretariat
2.	KM-6745 Toyota Pickup 2005	-do-		GB Administration
3.	GLTA 6242 Toyota Pickup 2005	-do-		GB Administration
4.	DMRA-70 Suzuki Jimny 2007	Capacity Building of Northern Areas Forest Department	0.900	Tehsildar Chilas
5.	DMRA-2207 Suzuki Jimny 2007	-do-	0.900	DC Office, Chilas
6.	GLTC-61 Suzuki Jimny 2007	-do-	0.900	Distt. Jail, Gilgit
7.	GLTB-271 Suzuki Jimny	-do-	0.900	Governor Secretariat, GB
8.	GLTB-272 Suzuki Jimny	-do-	0.900	GB Administration
9.	GLTC-65 GLI Corolla 2009	-do-	1.500	Secretary Forest, W&E, Gilgit
10.	GLTC-555 Fortuner 2015	Forest Resources Development through community participation	8.000	Secretary Information Technology, Gilgit.
11	GLTI-30 Fortuner 2020	Procuring of Touring Vehicle for GB Forest Department	8.689	Minister Forest, Wildlife & Env. Gilgit
12	GLTI-31 Fortuner 2020	-do-	8.689	Secretary Forest, Wildlife & Env. Gilgit
13	App for Toyota Revo	Protection and Conservation of Forests & Wildlife Resources in Natural Forests & Protected Areas in GB through Assistance of FC	6.914	Minister Forest, Wildlife & Env, GB, Gilgit
Total			49.792	

Audit observed that the vehicles were placed at the disposal of other departments instead of using for forest regeneration activities for which the fund was established.

Audit is of the view that allocation of vehicles to other departments was inconsistent with the provision of FRF and tantamount to misuse of costly assets of forest department.

The irregularity was pointed out during May 2023 to which it was replied that the matter has been brought to the notice of high-ups for retrieval of vehicles. However, the S&GAD department has placed these vehicles at the disposal of various departments on permanent basis.

The reply is not satisfactory as allocation of FRF vehicles which are meant for forest regeneration, conservation and other related activities was irregular.

DAC in its meeting held on 14.06.2023 decided to take up the matter with S&GAD for retrieval of vehicles.

Audit recommends that the decision of the DAC may be implemented.

3.3.11 Unjustified expenditure on incomplete ADP Project – Rs.2.00 million

Rule 23 of GFR Vol-I states that every Government officer should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government officer to the extent to which it may be shown that he contributed to the loss by his own action or negligence.

Section 14 (XXI) of the Gilgit-Baltistan Forest Act, 2019 provides that the funds of Forest Regeneration Fund (FRF) shall be used solely for infrastructure development activities of the department.

During the Special Audit of the Forest Regeneration Fund (FRF) for the years 1998-99 to 2021-2022, it was noted that the management made a payment of Rs.2.00 million out of FRF for executing an ADP scheme titled “Construction of Forests Buildings, Offices / accommodation at Ghizer District” which was approved at a cost of Rs.32.00 million.

Audit is of the view that expenditure out of FRF on ADP approved scheme was irregular as the fund was meant for forest conservation, improvement, development and other related activities.

The irregularity was pointed out during May 2023 to which it was replied that the contractor had carried out the requisite work as per agreement and the contractor was approaching the department time and again for making payment of his pending liabilities. On the recommendation and approval of Fund Management Committee payment of Rs.2.250 million was paid out of FRF.

The reply was not accepted as the payment to the contractor was required to be made from ADP budget instead of FRF

DAC in its meeting held on 14.06.2023 directed the management to avoid such expenditure out of FRF.

Audit recommends that the responsibility may be fixed for making expenditure out of FRF instead of ADP scheme.

3.3.12 Unauthorized retention of government share in private banks – Rs.23.664 million

Para-3 of Ministry of Climate Change, Islamabad letter No.F.11-5/2011-CC(FW) dated 24.10.2012, there shall be 20% government share and 80% community share relating to hunting activities.

During the Special Audit of the Forest Regeneration Fund (FRF) for the years 1998-99 to 2021-2022, it was noted that Conservator Parks & Wildlife Gilgit-Baltistan issued 118 Trophy Hunting Permits including 04 Markhor, 14 Blue Sheep and 100 Ibex during the year 2021-22. The department collected revenue of Rs.118.323 million on account of hunting fee.

Audit observed that 80% community share which comes to Rs.94.658 million was not transferred to community.

Audit further observed that 20% government share which comes to Rs.23.664 million was also retained in private bank in current account instead of depositing into centralized account.

Audit is of the view that retention of government and community shares was irregular.

The irregularity was pointed out during May 2023 to which it was replied that 80% community share for the year 2021-22 has not yet distributed due to some legal issues and conflict among the communities. Now the issue has almost been settled and the community share will be distributed shortly and the government share will also be deposited into the centralized account.

DAC in its meeting held on 14.06.2023 directed the management to resolve the issue to transfer the fund to community and centralized account. Further, directed that in future such funds shall be transferred in the centralized account on case to case basis without any delay.

Audit recommends that the decision of the DAC may be implemented.

3.3.13 Irregular purchase of plants - Rs.19.09 million

Rule 20 of Public Procurement Rules 2004 states that the procuring agencies shall use open competitive bidding as the principal method of procurement of goods, services and works.

During the Special Audit of the Forest Regeneration Fund (FRF) for the years 1998-99 to 2021-2022, it was noted that the department procured 212,350 plants as per following details:-

a) Conservator of Forest, Chilas

S. No.	Office Name	Plants purchased / issued (numbers)	Expenditure (Rs. in million)	Project
1	Forest Circle Diamer Astore	66,950	9.825	Spring Tree Plantation Campaign 2018
2	Forest Circle Gilgit	19,800	3.363	
3	Forest Circle Baltistan	4,300	0.525	
4	Wildlife Circle GB	1,300	0.195	
Total		92,350	13.908	

b) DFO, Darel / Tangir

S. No.	Year	Plants purchased / issued (numbers)	Expenditure (Rs. in million)	Project
1	2011-12	80,000 (pine tube plants)	1.054	"Forest Resource Development
2	2012-13	40,000 (broad leaved plants)	1.339	

3	2013-14	20 kg (pine / grass seeds)	0	through Community Participation in Gilgit Circle"
4	2014-15		1.878	
5	2015-16		0.911	
Total			5.182	
Grand Total			19.090	

Audit observed as under: -

- i. The plants were purchased without adopting open competition in violation of rules.
- ii. The department did not provide the record showing the receipt and distribution of plants to authenticate the expenditure.

Audit is of the view that the irregularity was occurred due to non-observance of Rule-20 of Public Procurement Rules 2004.

The irregularity was pointed out during May 2023 to which it was replied that planting stock was not available in GB nurseries. Therefore, it was decided to procure the plants from nurseries in KP and the plants were purchased from M/S Ayaz Nursery Swat being lowest supplier on the recommendation of centralized purchase committee.

The reply was not satisfactory as the plants were purchased without adopting the open competition in violation of Rule-20 of Public Procurement Rules 2004.

DAC in its meeting held on 14.06.2023 directed to constitute an inquiry committee under the chairmanship of Chief Conservator Forest to look into the matter regarding procurement of plants without adopting open competition.

Audit recommends that the responsibility be fixed for the irregularity.

3.4 Governance, Monitoring and Evaluation

3.4.1 Improper Utilization of Land for Afforestation

Serial No. 7 (1) & (4) of Schedule-II of GB Rules of Business, 2009 states that the Forest Department is responsible for Scientific Management of existing public forest estates to maximize production of wood minor forest produce and to create new forest resources. Raising of tree plantations for strategic purposes in consultation with the National Sub-Committee on Defense Planting.

As per Section (2)(xvi) of Gilgit-Baltistan Forest Act 2019 “Afforestation” means the direct human-induced conversion of a non-forest land to forest land through planting, seeding and/or the human induced promotion of natural seed sources;

During the Special Audit of the Forest Regeneration Fund (FRF) for the years 1998-99 to 2021-2022, it was noted that 2,969.25 acres land was available with the department for afforestation **Annexure-B**.

Audit observed that the forest department utilized 2,126.25 acres of land for afforestation / plantation.

Audit is of the view that the irregularity was occurred due to non-observing the provision of the Gilgit-Baltistan Forest Act, 2019.

The irregularity was pointed out during May 2023 to which it was replied that the department proposed various projects for mega plantations and afforestation to regenerate and rehabilitate the depleted areas under tree cover. All these blank and unutilized lands will be afforested in various phases by providing necessary resources and irrigation facilities.

DAC in its meeting held on 14.06.2023 directed the management that strenuous efforts be made to utilize the remaining land for plantations and afforestation properly.

Audit recommends that the decision of the DAC may be implemented.

3.4.2 Improper Utilization of Land for Plantation of small cuttings / siblings in Nurseries

Serial No. 7 (1, 2 & 3) of Schedule-II of GB Rules of Business, 2009 states that the Forest Department is responsible for:

1. Scientific Management of existing public forest estates to maximize production of wood minor forest produce and to create new forest resources.
2. Promotion of social/farm forestry on private lands.
3. Establishment of amenity forests and recreational parks.

As per Section (2)(xvi) of Gilgit-Baltistan Forest Act 2019 “Afforestation” means the direct human-induced conversion of a non-forest land to forest land through planting, seeding and/or the human induced promotion of natural seed sources;

During the Special Audit of the Forest Regeneration Fund (FRF) for the years 1998-99 to 2021-2022, it was noted that Forest Department maintaining 50 plants growing nurseries with an area of 454 Kanal in all three regions of Gilgit-Baltistan, as per the information provided by the DFOs **Annexure-C**.

Audit observed as under:

- i. As per information provided by the management the department is maintaining 50 nurseries which can produce 2,043,000 small plants / siblings (454 Kanal x 4500 plants per kanal (approximately) in a year whereas only 366,397 small plants siblings were produced (1,831,985/5= 366,397 – five years data).
- ii. The department required to produce 10,215,000 number of small plants / siblings in five years (454 x 4500 x 5 = 10,215,000) whereas only 1,831,985 plants / siblings were produced which comes to 17.93% of the available resources.
- iii. The department incurred an expenditure of Rs.34.914 million on restocking only
- iv. The department incurred funds on a same nursery from Annual Development Program (ADP), 10 Billion Tree Tsunami & Forest Regeneration Fund which created doubts whether there was any duplication / triplication.

Audit is of the view that the irregularity occurred due to non-observing the provision of the Gilgit-Baltistan Forest Act, 2019.

The irregularity was pointed out during May 2023 to which it was replied that the department is trying its best to utilize the government nurseries to fully restock and to produce maximum planting stock for further plantation and to distribute climatized and indigenous plants among the communities by providing inputs and field gears for the existing nurseries.

DAC in its meeting held on 14.06.2023 directed the management that efforts be made to utilize the maximum resources to produce the plants on available and un-utilized land.

Audit recommends that the decision of the DAC may be implemented.

3.4.3 Failure of the department to protect natural forest in Diamer region

Section-4 of the Gilgit-Baltistan Forest Act, 2019 states that the aims and objectives of this Act are to control illegal and unlawful collection, harvesting of forest and other renewable natural resources products services and illegal use and trade of such products and services by taking appropriate measures.

During the Special Audit of the Forest Regeneration Fund (FRF) for the years 1998-99 to 2021-2022, it was noted that the main function of the Forest department was to preserve and regenerate forests, emphasizing their conservation rather than generating revenue through fines on legal/illegal timber transportation.

Audit observed as under during field visit of different areas:

- i. The forest department has experienced significant failure in safeguarding natural forests, primarily due to rampant illegal logging and timber cutting activities.
- ii. The department failed to stop the illegal cutting / deforestation especially in Diamer region, therefore, natural beauty and ecosystem was badly suffering.
- iii. The natural seed germination was not being properly preserved / protected as different animals and human-beings were affecting the small plants produced from the seed from germination.
- iv. The confiscated timber was not properly stored, which led to deterioration, pilferage and exhaling of carbon dioxide, led to global warming besides increasing the chances of theft.
- v. The department could not successfully implement the timber policies issued by government from time to time. During winter season in high altitude areas of Diamer Region like Babusar Top, Fairy Meadows etc. Resultantly, it contributed to deforestation, habitat destruction, and biodiversity loss, as it often targets valuable and rare tree species (**Annexure “D”**).

Audit is of the view that the irregularity occurred due to non-following the provision of the GB Forest Act, 2019.

The irregularity was pointed out during May 2023 to which it was replied that the Forests have to be managed through Work Plans duly approved by the Government. The amnesty schemes in form of five timber disposal policies from time to time were granted to the owners of private Forests of Diamer and it was totally a policy failure. Further, due to inadequate staff and infrastructure, the department delivered its best in the past and will deliver with more zeal and enthusiasm and devotion.

DAC meeting was held on 14.06.2023 in which it was directed that the department may prepare TORs and monitoring manuals for the field staff of the Forest and Wildlife Department to protect the natural resources and to control illegal cutting of forests in far flung nullahs and to submit fortnightly reports to the concerned offices.

Audit recommends that the decision of the DAC may be implemented.

3.4.4 Improper utilization of forest resources

Section-4 of the Gilgit-Baltistan Forest Act, 2019 states that the aims and objectives of this Act are to control illegal and unlawful collection, harvesting of forest and other renewable natural resources products services and illegal use and trade of such products and services by taking appropriate measures.

During the Special Audit of the Forest Regeneration Fund (FRF) for the years 1998-99 to 2021-2022, it was noted that the Gilgit-Baltistan comprised of 69,683 Sq Km out of which 2,492.05 Sq Km (3.6%) covered with Natural Forest of the total area of the GB (**Annexure “E”**).

Audit observed as under:

- i. The most important parameter affecting area designated as forest is the minimum crown cover which can be set between 10% to 30% whereas the forest department Gilgit-Baltistan covered 427.55 Sq. km Area for Afforestation / plantation which comes to 0.6% of the total land area of the Gilgit-Baltistan.

- ii. Further, the data provided by the department showed that potential area for afforestation / plantation in Gilgit-Baltistan was 13,183.47 Sq. km (18.87%) of the total available land.
- iii. The forest department can utilize 6,600 Sq. km barren land by using the resources in the shape of development schemes / afforestation.
- iv. The department utilized funds in the shape of infrastructure and procurement of vehicles etc. and did not give proper attention to their core function of forestry.

Audit is of the view that the irregularity occurred due to non-utilization of proper resources in line with the provision of the GB Forest Act, 2019.

The irregularity was pointed out during May 2023 to which it was replied that the Forest Department is keen to bring maximum area of Gilgit-Baltistan under forest cover. In this regard various projects are being planned for provision of land development, establishment of irrigation system besides provision of financial and human resources.

DAC in its meeting held on 14.06.2023 directed the management to prepare a comprehensive plan for proper utilization of forest resources in different phases.

Audit recommends that the decision of the DAC may be implemented.

3.4.5 Non-Conducting of Internal Audit

Para-13 of GFR Vol-I, states that “the Internal Check to detect the irregularities, waste and fraud was required to be conducted once in each financial year. Further, Para-13 (iii) of GFR Vol-I states that “satisfactory arrangement exists for systematic and proper maintenance of Accounts Books and other ancillary records concerned with the Initial Accounts”.

During the Special Audit of the Forest Regeneration Fund (FRF) for the years 1998-99 to 2021-2022, it was noted that the department did not conduct internal audit / check for control of irregularities / waste and fraud as required under the above mentioned rules.

Audit is of the view that the irregularity was occurred due to non-following the provision of GFR.

The irregularity was pointed out during May 2023 to which it was replied that internal audit of most of the offices have been conducted by the office of the PAO/Secretary FW&E.

The reply is not accepted as no internal audit was conducted by the department.

DAC in its meeting held on 14.06.2023 directed that the department may notify a committee for internal audit of the DFOs forthwith and schedule the program soon after closing of the financial year 2022-23.

Audit recommends that the decision of the DAC may be implemented.

3.4.6 Non-Conduct of Physical Verification of Stores

Para-159 of GFR Vol-I, state that a physical verification of all stores should be made at least once in every year under the rules prescribed by competent authority, and subject to the condition that the verification is not interested to the person

- i. Who is the custodian, the ledger keeper, or the accountant of the stores to be verified, or who is a nominee of or is employed under the custodian, the ledger keeper or the accountant or
- ii. Who is not conversant with the classification, nomenclature and technique of the particular classes of stores to be verified?

During the Special Audit of the Forest Regeneration Fund (FRF) for the years 1998-99 to 2021-2022, it was noted that the department did not conduct the physical verification of store and stock.

Audit is of the view that the irregularity was occurred due to non-following the provision of GFR.

The irregularity was pointed out during May 2023 to which it was replied that physical verification of stores of most of the offices have been conducted by office of the PAO / Secretary FW&E.

The reply is not accepted as no physical verification of the stores have been done.

DAC in its meeting held on 14.06.2023 directed that the department may notify a committee for physical verification of stores of the DFOs forthwith and schedule the program soon after closing of the financial year 2022-23.

Audit recommends that the decision of the DAC may be implemented.

4. CONCLUSION

The prime objective of creating Forest Regeneration Fund (FRF) was conservation, regeneration and sustainable development of Forests in Gilgit-Baltistan besides rehabilitation of depleted and cut over forests and infrastructure development in Gilgit-Baltistan. Promoting and enhancing the contribution of forestry and renewable natural resources sector to sustainable development of Gilgit-Baltistan is another main objective of FRF.

After creation of FRF a policy framework was required to be formulated by the department to manage and regulate the Fund besides achieving the objectives in an organized and effective manner. However, the management could not formulate forest conservation and management policy and strategy to regulate the protection, conservation and development of forest despite their legal obligations under section-06 of Forest Act 2019. Similarly, a Forest and Wildlife Board which is an apex body for making policy decisions with the mandate to oversee the overall affairs of FRF to ensure utilization of funds in accordance with provision of the Act and objectives of the Fund. However, Forest and Wildlife Board has not been established so far.

The forests in Gilgit-Baltistan are mostly owned by local community and therefore, are under threat due to human action and grazing by domestic animals besides illegal cutting. The forest department is responsible for protection, regulation and sustainable development of private forest. However, the management did not formulate rules for protection and sustainable development of forest besides prohibiting the illegal cutting.

The FRF is the basic source of funding for conservation and development of forest in Gilgit-Baltistan. In order to manage the fund in efficient manner the management was required to formulate rules as required under section-11 of the Forest Act 2019. No rules have been formulated resultantly the forest department could not utilize the FRF proceeds for intended purposes as in number of cases expenditure was made in deviation from the objectives of the Fund. In some cases, the proceed of Fund were retained outside the Fund accounts besides non-recovery of irregular loan granted to government departments. Furthermore, substantial amount also remained uninvested. Financial mismanagement resulted

in loss to the government besides hampering the regeneration and protection activities. Misuses of costly assets were also noticed.

The government introduced timber disposal policies from time to time which were not implemented in its true spirit as large quantity of timber could not be disposed of.

Forgoing above, audit is of the view that the forest department was unable to prepare a comprehensive framework in accordance with the provisions of the Act to achieve the objective of FRF in an organized and effective manner.

1.1 Key Issues

During special audit of the Forest Regeneration Fund, the internal controls weaknesses were noticed which are elaborated as under.

- i. In accordance with the Gilgit-Baltistan Forest Act 2019, Forest Conservation & Management Policy & Strategy, Rules to prohibit or regulate cutting, licenses or permits Rules, Forest and Wildlife Board as well as Forest & Wildlife Force have not been formulated as well as established
- ii. Rules & Regulations were not followed in true spirit
- iii. Investment was made in violation of the rules
- iv. Forest Regeneration Funds were placed to other departments of Government of GB on recoupment basis
- v. Amount collected on account of park entry fee, trophy hunting fee and penalty of illegal timber were retained by the respective offices of the Forest Department
- vi. Procured vehicles of Forest departments were placed permanently to other departments of GB Government
- vii. Left over timber of Timber Disposal Policies were not auction in the stipulated period

1.2 Lessons learnt

Audit is of the view that good internal controls are essential for assuring the accomplishment of goals and objectives as they ensure compliance with applicable laws and regulations. Presence of effective internal controls and

regular monitoring and evaluation of activities should have been carried out for effective implementation of department objectives.

Procedural issues / comparative analysis

ACKNOWLEDGEMENT

We wish to express our appreciation to the management and staff of the Forest Department for the assistance and cooperation extended to the auditors during this assignment despite the unfortunate fire accident resulting in destruction of official record of the department up to November 2020 during the post-election riots.

Annexure-A Para 3.3.5

Irregular execution of Civil Work Rs.89.405 million

(Rupees in million)

S. No.	Description	Formation	Expenditure incurred
1	Construction of Forest Rest House at City Park Skardu	DFO, Skardu	3.897
2	Construction of Boundary wall at Rest House City Park	DFO, Skardu	0.586
3	Construction of three garages and Annexy	DFO, Skardu	3.103
4	Construction of boundary wall of circle & DFO office	DFO, Skardu	0.468
5	Development of jogging tracks at City park exclude electricity	DFO, Skardu	0.382
6	Establishment of Check posts & watch huts at valley level	DFO, Skardu	0.698
7	Up-gradation/ renovation of Forest Inspection Hut at Skardu	DFO, Skardu	3.968
8	Protective bund at Hoto & Kwardo, Skardu	DFO, Skardu	17.440
	Total		30.542
1	Protection of Natural Forests through infrastructure Development in Diamer – Astore Forest Circle	DFO, Chilas	13.081
	Total		13.081
1	Repair and Renovation of Rama Forest Hut	DFO, Astore	3.00
	Total		3.00
1	Up gradation of Existing Forest Huts in Ghizer Forest Division	DFO, Ghizer	0.459
2	"Construction of Boundary Walls IMIIT, Barjungle, Barkut, Taous & Chatorkhand Forest Nurseries"	DFO, Ghizer	0.859
	Total		1.318
1	Strengthening of Forest Check Posts & Infrastructure in GB	CCF, Gilgit	15.00
2	Renovation / Rehabilitation of CCF Office	CCF, Gilgit	1.00
	Total		16.00
1	Minor Repair of office cum residence of DFO/ Darel – Tangir	DFO, Darel / Tangir	0.800
2	"Forest Resource Development through Community Participation."	DFO, Darel / Tangir	5.895
	Total		6.695
1	Repair & Maintenance of existing Wildlife Beat Huts in Gilgit, Ghizer and KNP	Conservative Wildlife, Gilgit	0.918
	Total		0.918
1	Construction of Forest Huts at Damote Sai	DFO, Gilgit	0.825
2	Improvement & Renovation of existing old buildings of Forest & Wildlife GB	DFO, Gilgit	14.095
	Total		14.92
1	Construction of Protective Bund and spurs on river	DFO Ghanche	0.299

	banks		
2	Repair/ Reconstruction of damage boundary walls of existing forest nurseries and buildings	DFO Ghanche	0.183
3	Construction of Office Cum residence for RFO Khaplu	DFO Ghanche	0.791
4	Construction of remaining works of forest hut at Saling	DFO Ghanche	0.184
5	Construction of remaining works of office / residence at Khaplu	DFO Ghanche	0.410
6	Construction of 01 No's Forest Hut at Daghoni / Saling	DFO Ghanche	0.610
7	Construction of Forest Hut at Ghursary Plantation	DFO Ghanche	0.277
8	Excavation of foundation, transportation of raw materials, Construction of Boundary Wall	DFO Ghanche	0.412
9	Construction of jogging track	DFO Ghanche	0.103
10	Repair / Renovation of Forest Huts	DFO Ghanche	0.596
11	Construction of main entrance t Sailing Forest	DFO Ghanche	0.247
12	Construction of protective bund at Ghursej Ghanche		11.060
	Total		15.172
1	Conservator Residence Kashrote	DFO, Gilgit	0.738
2	Old Conservator office Kashrote, Gilgit	DFO, Gilgit	1.266
3	Residence quarter-1 Kashrote	DFO, Gilgit	0.988
4	Residence Quarter-2 Kashrote	DFO, Gilgit	1.138
5	DFO Gilgit old office, SDFO residence, Sonikote	DFO, Gilgit	2.745
6	RFO HQ office / Resident (Sonikote)	DFO, Gilgit	1.910
7	Sonikote Nursery	DFO, Gilgit	0.030
	Total		8.815
1	Construction of cam office for CF Diamer Astore at Astore including furnishing cost	CFO, Chilas	2.102
2	Additional / Alteration in existing in Government building for CF at Astore	CFO, Chilas	0.128
3	Construction of 11 Forest beat huts covering Thak, Niat, Sharat, Buner, Hudur, Thore etc.	CFO, Chilas	4.553
4	Construction of Check post at Gina	CFO, Chilas	0.712
5	Land scraping of CF garden	CFO, Chilas	0.300
6	Repair maintenance of DFO house at Chilas	CFO, Chilas	3.349
	Total		11.144
1	Improvement and Renovation of Rama Forest Hut district Astore	DFO, Astore	2.995
	Total		2.995
	Grand Total		89.405

Annexure-B Para 3.4.1
Improper Utilization of Land for Afforestation

Gilgit Region

(Area in Acres)

S. No.	DFO	Area available for plantation / Afforestation (Govt / Forest Land)	Grown Stock (No's of Plants Approx.)	Area covered in Acres for Plantation	Area left over / to be utilized for plantation	Capacity of Plants as per standard per acres (10'x10' space)	Difference of Capacity per acre and grown	Output to be obtained from Not utilized land difference as per Standard	Total plants capacity If fully used
1	Gilgit	32	5235	32	Full	139,264	134,029	0	134,029
2	Ghizer	565.25	269,200	276.25	289	1,202,240	933,040	1,257,728	2,190,768
3	Hunza	Govt owned/ Forest Department land not available							
4	Nagar	408	57585	352	56	1,531,904	1,474,319	243,712	1,718,031
Total		1005.25	332,020	660.25	345	2,873,408	2,541,388	1,501,440	4,042,828

Skardu Region

(Area in Acres)

S No	DFO	Area available for plantation / Afforestation	Grown Stock	Area covered in Acres for Plantation	Area left over / to be utilized for plantation	Capacity of Plants as per standard per acres (10'x10' space)	Difference of Capacity per acre and grown	Not utilized land difference	Total plants capacity If fully used
1	Skardu	1,005	397,505	673.5	331.5	2,931,072	2,533,567	1,442,688	3,976,255
2	Ghanche	2,200/8=(275)	400,000	1,700/8=(212.5)	500 /8=(62.5)	924,800	524,800	272,000	796,800
3	Shigar	609	202,750	521	88	2,267,392	2,064,642	382,976	2,447,618
4	Kharmang	75	78,800	59	16	256,768	177,968	69,952	247,600
Total		1,964	1,079,055	1,466	498	6,380,032	5,300,977	2,167,616	7,468,593
Grand Total		2,969.25	1,411,075	2,126.25	843	9,253,440	7,842,365	3,669,056	11,511,421

Annexure-C Para 3.4.2

Improper Utilization of land for plantation of small cuttings/siblings in Nurseries

Baltistan Region

S. No.	DFO	No of Nurseries	Total Area of Nurseries (Area in Kanal)	Plants/ Sibling Capacity / Growing Capacity @ 4500 plant per Kanal (5 Year)	Plants / Sibling produced & distributed and kept for restocking for (Five Year approx.)	Difference of Plants/ Sibling with respect to growing capacity and distributed etc.	Expenditure on Restocking (Rupees in million)
1	Skardu	7	61	1,372,500	547,000	825,500	4.695
2	Kharmang	3	24	540,000	54,000	486,000	2.461
3	Ghanche	8	66	1,485,000	120,000	1,365,000	5.020
4	Shigar	4	56	1,260,000	283,460	976,540	4.585
Total		22	207	4,657,500	1,004,460	3,653,040	16.761

Gilgit Region

S. No.	DFO	No of Nurseries	Total Area of Nurseries (Area in Kanal)	Plants/ Sibling Capacity / Growing Capacity @ 4500 plant per Kanal (5 Year)	Plants / Sibling produced & distributed and kept for restocking (Five Year approx.)	Difference of Plants/ Sibling with respect to growing capacity and distributed etc.	Expenditure on Restocking (Rupees in million)
1	Gilgit	04	56	1,260,000	76,000	1,184,000	3.140
2	Ghizer	11	98	2,205,000	254,430	1,950,570	5.946
3	Hunza	02	14	315,000	95,000	220,000	1.044
4	Nagar	04	23	517,500	25,795	491,705	2.031
Total		21	191	4,297,500	451,225	3,846,275	12.161

Diamer Region

S. No.	DFO	No of Nurseries	Total Area of Nurseries (Area in Kanal)	Plants/ Sibling Capacity / Growing Capacity @ 4500 plant per Kanal (5 Year)	Plants / Sibling produced & distributed and kept for restocking (Five Year approx.)	Difference of Plants/ Sibling with respect to growing capacity and distributed etc.	Expenditure on Restocking (Rupees in million)
1	Darel / Tangir	3	19	427,500	72,000	355,500	2.349
2	Chilas	4	37	832,500	304,300	528,200	3.643
Total		7	56	1,260,000	376,300	883,700	5.992
Grand Total		50	454	10,215,000	1,831,985	8,383,015	34.914

**Annexure-D Para 3.4.3
Pictures of Fairy Meadows**

Failure of the Department to Protect Natural Forest in Diامر Region



Source: Took from a person who is working in a hotel at Fairy meadows



Source: Took from a person who is working in a hotel at Fairy meadows



Source: Took from a person who is working in a hotel at Fairy meadows



Source: Took from a person who is working in a hotel at Fairy meadows



Source: Took from a person who is working in a hotel at Fairy meadows



Source: Took from a person who is working in a hotel at Fairy meadows



Source: Took from a person who is working in a hotel at Fairy meadows



Source: This picture was taken on 06.05.2023 by the audit team during his visit to Fairy meadows



Source: This picture was taken on 06.05.2023 by the audit team during his visit to Fairy meadows



Source: This picture was taken on 06.05.2023 by the audit team during his visit to Fairy meadows



Source: This picture was taken on 06.05.2023 by the audit team during his visit to Fairy meadows

Annexure -E Para 3.4.4

Improper / non-Utilization of forest Resources



Land Use/Cover	Natural Forest	Farm Forest/Orchards	Agricultural Land	Winter Pastures	Barren land	Sub-Total Potential area	Un-commandable area	Total
Area (Sq Km)	2492.05	427.55	382.22	3281.65	6600.00	13183.47	56784.53	69683
%	3.6	0.6	0.55	4.7	9.46	18.87	81.13	100