

**AUDIT REPORT
ON
THE ACCOUNTS OF
CLIMATE CHANGE, ENVIRONMENT AND
DISASTER MANAGEMENT
ORGANIZATIONS
OF THE FEDERAL GOVERNMENT
AUDIT YEAR 2024-25**



AUDITOR-GENERAL OF PAKISTAN

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

FOR THE CITIZENS OF PAKISTAN

PREFACE

Articles 169 & 170 of the Constitution of the Islamic Republic of Pakistan, 1973 read with Sections 8 & 12 of the Auditor-General's (Functions, Powers and Terms and Conditions of Service) Ordinance 2001, require the Auditor-General of Pakistan to conduct audit of receipts and expenditure of the Federation and the Provinces or the accounts of any authority or body established by the Federation or a Province.

This report is based on audit of the accounts of Climate Change, Environment and Disaster Management organizations of the Federal Government for the financial year 2023-24 and accounts of some formations for previous years. The Directorate General Audit (Climate Change & Environment), Islamabad conducted audit during Audit Year 2024-25 on a test check basis with a view to report significant findings to the relevant stakeholders. Audit Report includes systemic issues and audit findings having value of rupees one million or more. Relatively less significant issues are listed in the annexure-I of the Audit Report. The audit observations listed in the Annexure-I shall be pursued with the Principal Accounting Officers (PAOs) at the DAC level. In all cases where the PAOs do not initiate appropriate action, the audit observations will be brought to the notice of the Public Accounts Committee in the next year's Audit Report. Sectoral analysis has been added in this report covering strategic review and overall perspective of audit results.

Audit findings indicate the need for adherence to the regulatory framework, besides instituting and strengthening of internal controls to avoid recurrence of similar nature violations and irregularities in future.

Most of the observations included in this report have been finalized in the light of management response and discussion in the DAC meetings.

There are certain audit paras which were also reported in previous years Audit Reports for the years 2015-16, 2016-17, 2017-18, 2018-19, 2019-20, 2021-22 and 2023-24. Recurrence of such irregularities is matter of concern and needs to be addressed.

The Audit Report is submitted to the President of Pakistan in pursuance of Article 171 of the Constitution of the Islamic Republic of Pakistan 1973, for causing it to be laid before both houses of *Majlis-e-Shoora* [Parliament].

Islamabad

Dated: February, 2025

Muhammad Ajmal Gondal

Auditor-General of Pakistan

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ABBREVIATIONS & ACRONYMS

ADB	Asian Development Bank
AGM	Annual General Meeting
AGP	Auditor-General of Pakistan
AJK	Azad Jammu & Kashmir
BCDP	Bagh City Development Project
BoD	Board of Directors
BOQ	Bill of Quantities
BPS	Basic Pay Scale
CC&E	Climate Change & Environment
CDWP	Central Development Working Party
CDP	City Development Projects
CEF	Clean Environment Fund
CEO	Chief Executive Officer
Co.	Company
CPR	Computerized Payment Receipts
DAC	Departmental Accounts Committee
DDO	Drawing & Disbursing Officer
DG	Director General
DM	Disaster Management
DMC	Disaster Management Cycle
DRM	District Risk Management
DRR	Disaster Risk Reduction
DRU	District Reconstruction Unit
DSR	Daily Situation Report
EAD	Economic Affairs Division
ECNEC	Executive Committee of the National Economic Council
EIA	Environmental Impact Assessment
EPA	Environmental Protection Agency
ERRA	Earthquake Reconstruction and Rehabilitation Authority
FBR	Federal Board of Revenue
FIDIC	Fédération Internationale Des Ingénieurs-Conseils
FIPs	Fund Implementing Partners
FPC	Final Payment Certificate
FWO	Frontier Works Organization
GFR	General Financial Rules
GLOF	Glacial Lake Outburst Flood
HQs	Headquarters

HR	Human Resource
ICT	Islamabad Capital Territory
IEE	Initial Environmental Examination
IPSAS	International Public Sector Accounting Standard
KTP	Karachi Transformation Plan
LD	Liquidated Damages
M&E	Machinery and Equipment
MCDP	Muzaffarabad City Development Project
M/o NHR&C	Ministry of National Health Services, Regulation and Coordination
M/o PD&SI	Ministry of Planning, Development and Special Initiatives
M/s	Messer
MHVRA	Multi-Hazard Vulnerability Risk Assessment
MoA	Memorandum of Association
MoCC&EC	Ministry of Climate Change and Environmental Coordination
NAB	National Accountability Bureau
NBCDP	New Balakot City Development Project
NBP	National Bank of Pakistan
NDMA	National Disaster Management Authority
NDMC	National Disaster Management Commission
NDMF	National Disaster Management Fund
NDMP	National Disaster Management Plan
NDRMF	National Disaster Risk Management Fund
NEOC	National Emergency Operations Center
NIT	Notice Inviting Tender
NLC	National Logistic Cell
PAC	Public Accounts Committee
Pak-EPA	Pakistan Environmental Protection Agency
PAO	Principal Accounting Officer
PCR	Polymerase Chain Reaction
PDMA	Provincial Disaster Management Authority
PERRA	Provincial Earthquake Reconstruction & Rehabilitation Agency
PFM	Public Finance Management
PPRA	Public Procurement Regulatory Authority
PSC	Project Steering Committee (PSC)
PSDP	Public Sector Development Program
Pvt.	Private
Qty.	Quantity
RCDP	Rawalakot City Development Project
Rs.	Rupees

SAARC	South Asian Association for Regional Cooperation
SACEP	South Asia Co-operative Environment Program
SDGs	Sustainable Development Goals
SERRA	State Earthquake Reconstruction and Rehabilitation Agency
TBTTP	Ten Billion Tree Tsunami Program
ToRs	Terms of Reference
UN	United Nations
UNCCD	United Nations Convention to Combat Desertification
UNCSD	United Nations Commission on Sustainable Development
UNEP	United Nations Environment Program
UNFCCC	United Nations Framework Convention on Climate Change
UNICEF	United Nations International Children's Emergency Fund

EXECUTIVE SUMMARY

The Directorate General Audit (Climate Change & Environment) Islamabad conducts audit of expenditure and receipts of the climate change, environment and disaster related entities established at the Federal, Provincial and District levels. Its mandate includes Compliance with Authority Audit, Financial Attest Audit and Performance Audit along with Special Audit and Special Studies of entities like Ministry of Climate Change, Earthquake Reconstruction and Rehabilitation Authority (ERRA), National Disaster Management Authority (NDMA), Provincial Disaster Management Authorities (PDMAs), Environmental Protection Agencies (EPAs) and Civil Defense Organization.

However, in the wake of the increased global focus on measures to combat climate change, and not just disaster risk management, the government has formulated the ¹National Climate Change Policy (2021, updated from time to time). In the subject policy, the goal is stated as ‘To ensure that climate change is mainstreamed in the economically and socially vulnerable sectors of the economy and to steer Pakistan towards climate compatible development’.

It is further stated with utmost clarity that ‘Mitigating and adapting actions are considered to be the two key ways of combating climate change. The more immediate and pressing task for the country is to prepare itself for adaptation to climate change.’ It also emphasizes that ‘the updated Policy document has been designed in accordance to the requirements of Paris Agreement on climate change, Sustainable Development Goals and Sendai Framework for Disaster Risk Reduction. Hence, appropriate measures relating to disaster preparedness, capacity building, institutional strengthening; technology transfer and international cooperation have also been incorporated as important components of the policy.’

In the light of this paradigm shift from merely tackling disaster risk reduction in the government spending, and focus on the various dimensions of climate change measures it is deemed appropriate that this office also adapts to

¹ <https://mocc.gov.pk/SiteImage/Policy/NCCP%20Report.pdf>

this government transition from the traditional spending and slowly and gradually aligns audit with the government's funding direction and, to say the least, attempts to draw assurance of the impact of government's spending on climate change policy measures.

In line with the above, this office has begun transition from the traditional compliance audit of expenditure towards a greater focus on the impact of spending on mitigation and adaptation. For this purpose, with focus on public service delivery as the main area of consideration, the chapter 'Climate Change and Environment Management has been added to this report, with the sections 'Mitigation (Legal frame work, Governance & Impact) and 'Adaptation (Legal frame work, Governance & Impact) to highlight observations that directly pertain to these areas. Also under public service delivery, Disaster Risk Management (Response, Rescue, Recovery and Rehabilitation) has been added as a separate chapter given its unique dynamics and to ensure that is not inadvertently considered as a main sub-component of climate change.

Gradually, this office plans to shift focus from traditional compliance audit towards area-specific audit activity which highlights government spending on mitigation, adaptation and disaster risk reduction, and not just climate change and environmental pollution in general. Also, surveys conducted by audit teams have been added, where possible, to give a glimpse of the general perception of the local populace regarding the functioning and spending impact of that specific department.

This office has a human resource of 28 personnel with 55,776 available person-hours during Audit Year 2024-25. The annual budget of the Directorate General for the financial year 2024-25 is Rs. 104.084 million.

This report covers the audit of Earthquake Reconstruction & Rehabilitation Authority (ERRA), National Disaster Management Authority (NDMA), Ministry of Climate Change and Environmental Coordination (MoC&EC), Pakistan Environmental Protection Agency (Pak-EPA), National Disaster Risk Management Fund (NDRMF), Environment Wing of Capital Development Authority, Emergency & Disaster Management Directorate,

Metropolitan Corporation Islamabad and Directorate General Civil Defence, Islamabad.

According to the Audit Plan, both expenditure and receipts (where applicable) of these formations were audited on test check basis by selecting main entities under audit jurisdiction.

As a result of audit, a number of issues have been noticed and presented in the following chapters for consideration of the management.

a. Scope of audit

The audit universe of the Directorate General Audit (Climate Change & Environment) consists of 34 formations at federal level working under seven (07) PAOs / Ministries. Total expenditure of these formations was Rs. 50.209 billion for the financial year 2023-24.

Majority of these formations / entities are directly linked with Sustainable Development Goals (SDGs). Issues related to SDG goal 1(target 1.5), goal 13(target 13.1), goal 11 (target 11.b) are dealt with by these entities and the scope of the audit extends to all such issues.

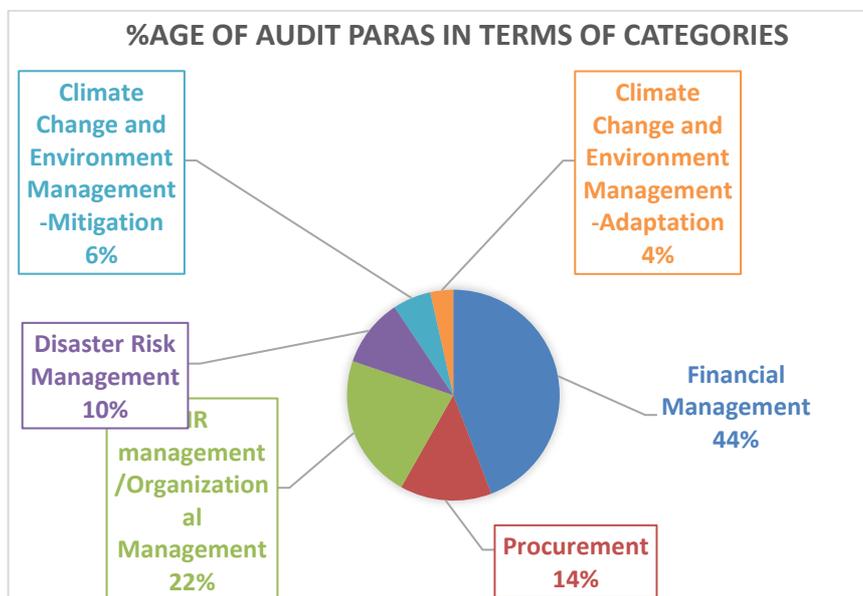
This audit report relates to expenditure of five (13) formations under six (06) PAOs having a total expenditure of Rs. 46.854 billion for the financial year 2023-24. In terms of percentage, the audit coverage for expenditure was 93% of auditable expenditure.

In addition to this audit report, the Directorate General also conducted audit of five (03) Foreign Aided Projects (FAP). The FAP audit reports have been prepared separately and submitted to the management and to the donor agencies.

b. Overview of Audit Report

(Rs. in million)

Sr. No.	Categorizations of Audit Observations	No. of Paras	Amount
1.	Internal controls		
i	Financial Management	38	27,958.426
ii	Procurement Management	12	15,924.677
iii	HR management/Organizational Management	19	32,813.498
2.	Public Service Delivery / Performance		
A	Disaster Risk Management (Response, Rescue, Recovery and Rehabilitation)	9	14,536.638
B	Climate Change and Environment Management		
i	Mitigation (Legal frame work, Governance & Impact)	5	6.770
ii	Adaptation (Legal frame work, Governance & Impact)	3	6.000
Total number of observations in the report and total amount placed under audit observation		86	91,246.009
Recoveries pointed out in the report		19	4,876.914



c. Recoveries at the Instance of Audit

Recovery of Rs. 4,876.914 million² has been pointed out in this report.

d. Audit Methodology

The Directorate General Audit (Climate Change & Environment) in Islamabad audits the revenues and outlays of federal, provincial, and district-level organizations that deal with climate change, the environment, and disasters. It carries out Compliance with Authority Audit, Financial Attest Audit, Performance Audit, Special Audit, and Special Studies of Entities as per its mandate and directions from the Department of the Auditor-General of Pakistan from time to time.

Keeping in view Pakistan’s international commitments to climate change, ³The National Climate Change Policy (2021, periodically amended) was developed by the government in response to the growing emphasis on climate change mitigation strategies worldwide, rather than only disaster risk reduction. According to the policy, the goal is to "steer Pakistan towards climate compatible development and ensure that climate change is mainstreamed in the economically and socially vulnerable sectors of the economy."

Therefore, in order to drive greater audit assurance, the traditional methods of compliance were supplemented with modern research techniques. ⁴ As per the INTOSAI Journal of Government Auditing “One of the distinguishing features of audit organizations and reports is the emphasis on evidence to support findings and recommendations, so any techniques that have the potential to make that evidence more powerful should be given high priority. One way that offers that potential is to closely examine three of the techniques

²ParaNo. 1.4.5, 1.4.9, 1.4.10, 1.4.15, 1.4.18, 1.4.19, 1.4.26, 2.4.6, 2.4.7, 2.4.8, 2.4.23, 3.4.3, 3.4.6, 3.4.21, 4.4.1 to 4.4.4 & 5.4.2

³ <https://mocc.gov.pk/SiteImage/Policy/NCCP%20Report.pdf>

⁴https://www.intosai.org/fileadmin/downloads/about_us/IJGA_Issues/2023/EN_Q3_2023_v5On3.pdf

used by audit organizations to collect evidence: surveys, semi-structured interviews, and data collection instruments (DCIs).”

Beginning this year, the Office of the Director General Audit Climate Change and Environment has started application of research-driven survey audit methodology in addition to internal control tests in order to improve assurance of audit output and assess the impact of budgetary spending at the formation level for the Audit Year 2024-25. Using surveys carried out within the formation's or budgetary unit's catchment area, the methodology's objective was to appreciate public opinion and perceptions regarding an organization's operations, utility, and role in disaster risk reduction, climate change adaptation, and mitigation. This audit report includes narrative elaborations and graphical depictions of the responses pertaining to the formations pertaining to Federal Government.

Audit Planning

During the planning phase, this office made considerable use of desk audit techniques. These methods included looking through permanent files, computer-generated data, and other relevant documents, as well as examining the rules, procedures, and regulatory framework that applied to the Auditee businesses. Internal control systems were analyzed and risk assessments were conducted for each entity. Desk reviews helped auditors understand the environment, procedures, and systems of the examined entity and identify risk areas.

Audit Execution

⁵“It appears that a more targeted use of surveys and more frequent use of semi-structured interviews and data collection instruments have the potential to power up audit evidence and maximize the positive impact of audit organizations.” (INTOSAI Journal of Government Auditing, Q3 2023 - Audit Methodologies for Impact Vol. 50, No. 3)

⁵ https://www.intosai.org/fileadmin/downloads/about_us/IJGA_Issues/2023/EN_Q3_2023_v50n3.pdf

The audit was carried out in compliance with the Department of the Auditor-General of Pakistan's Financial Audit Manual (FAM), which complies with the International Standards of Supreme Audit Institutions (ISSAIs). Assessing adherence to laws, rules, regulations, and policies as well as the effectiveness of internal controls was the main goal of the audit. The main methods used to acquire the evidence were surveys, policy document and monitoring report reviews, payment voucher inspections, and the gathering, interpretation, and analysis of primary and secondary data. This Office also created some unique risk assessment tools which include the “risk-requisition-observation linkage and assessment tool” (Annexure-II) for a better appreciation of risk assessment and audit output.

e. Audit Impact

Major issues pointed out during audit were admitted by the management and the entities agreed to review the pointed out issues and take necessary corrective actions. The strengthening of internal controls in the audited entities were also well taken by the management for review and corrective measures. Audit cycle impact classified under two categories:

1. Actions taken on observations issued during audit or after issuance of AIR.

No significant action taken by the entities on the observations issued during audit or after issuance of AIR.

2. Actions committed by the management during DAC meetings.

- i. CDA Environment Wing committed to make the procurement according to the Public Procurement Rules.
- ii. CDA Environment Wing committed to prepare the separate fixed asset register for each Directorate of CDA Environment Wing.
- iii. CDA Environment Wing committed to devise the redressal of grievances committee in light of Public Procurement Rules.
- iv. CDA Environment Wing committed to deduct the stamp duty from the vendors before final payments.

- v. CDA Environment Wing committed that Internal Audit of all the wings of CDA will be conducted shortly.
- vi. CDA Environment Wing committed that approval of PC-I of all self-financing schemes will be obtained from C.D.A.D.W.P.
- vii. CDA Environment Wing committed to prepare the layout plan of utilization of 45 acres land of CDA Nursery.
- viii. CDA Environment Wing committed that the projects above the cost of Rs. 50 million may be reported to NAB.
- ix. CDA Environment Wing committed to devised for recruitment of employees and payments process for contingent paid staff hired for firefighting at Margalla Hills.
- x. Emergency and Disaster Management Directorate (E&DMD) of CDA committed to prepare a mechanism of reconciliation of POL with Machinery Pool Organization (MPO) besides maintenance of log book in accordance with Staff Car Rules.
- xi. E&DMD of CDA committed to reconciliation of unrecovered amount with the Audit besides taking necessary action for recovery from the defaulters.
- xii. E&DMD of CDA committed to repatriate the excess staff / dog handlers to their parent department along with rationalization of dogs being used for Urban Search and Rescue (USAR) operations due to non-utilization.
- xiii. E&DMD of CDA committed to take up the matter with higher authorities for non-provision/forwarding of cases by the Building Control Directorate of CDA to E&DMD for construction of new buildings clearance with regard to Fire Prevention and Life Safety Measures.
- xiv. E&DMD of CDA committed to up-grade control room and related system for efficient tracking for emergency response, accurate reporting of incidents, and resource allocation.

f. Comments on Internal Control and Internal Audit

Internal controls can be defined as ‘the policies, processes, tasks, behaviors and other aspects of an organization that taken together to facilitate effective operations by enabling it to respond in an appropriate manner to significant business, operational, financial, compliance and other risks to achieve its objectives. This includes safeguarding of assets and ensuring that liabilities are identified and managed in a timely manner.

The audit teams extensively studied and evaluated the internal controls in the audited entities so as to obtain an adequate understanding of the internal control systems. The objective was to identify material and significant internal control weaknesses and report to the management for taking corrective measures. Although the entities have put in place a number of internal controls at various levels, there is a strong need for a periodic review and updation of the internal control structures. Moreover, the system of internal audit was not properly in place in most of the audited entities which requires the attention of the management.

g. Key audit findings of the report

- i. Recoveries amounting to Rs. 4,876.914 million have been pointed out in nineteen (19) cases.
- ii. Nine (9) cases of disaster risk management issues amounting to Rs.14,536.638 million have been pointed out⁶.
- iii. Five (5) cases of mitigation issues amounting to Rs. 6.770 million have been pointed out⁷.
- iv. Three (3) cases of adaptation issues amounting to Rs.6.00 million have been pointed out⁸.

⁶ Para No. 2.4.20 to 2.4.25, 3.4.14, 5.4.5& 5.4.6

⁷ Para No. 1.4.28, 2.4.26, 3.4.15 to 3.4.17

⁸ Para No. 3.4.19 to 3.4.21

- v. Three (3) cases of non-production of record amounting to Rs. 8,409.718 million have been pointed out⁹.
- vi. Violation of Public Procurement Rules resulting in mis-procurement of Rs. 5321.503 million has been reported in five (5) cases.¹⁰
- vii. Non-deduction and non-deposit of taxes and duties amounting to Rs. 819.77 million has been pointed out in five (05) cases.¹¹

h. Audit recommendations

Recommendations included in this audit report highlight actions that are expected to improve the financial management and overall governance of the audited entities. Appropriate and timely implementation of audit recommendations is an important part to realize full benefit of the audit activity.

Based on the findings of this audit report contained in the respective chapters, the following major recommendations are placed before the management of the audited entities:

- i. Recoveries from the suppliers/vendors as pointed out in the audit observations may be made and deposited in the government treasury.
- ii. All procurements may be made strictly as per Public Procurement Rules, 2014 so as to safeguard the interest of the government while making procurements.
- iii. Income Tax and Sales Tax as pointed out in the audit observations may be recovered and deposited to the concerned tax authorities.
- iv. NDMA may utilize the National Disaster Management Fund (NDMF) for authorized purposes only and the amount drawn for non-specified purposes may be refunded to the Fund.

⁹ Para No. 1.4.1, 1.4.3 & 1.4.7

¹⁰ Para No. 2.4.11 to 2.4.13, 2.4.15 & 4.4.5

¹¹ Para No. 1.4.15, 1.4.19, 2.4.5, 2.4.6 & 4.4.4

- v. Mitigation and adaptation issues should be resolved on priority basis.
- vi. Measures should be taken to strengthen disaster risk management.

Chapter 1

Earthquake Reconstruction & Rehabilitation Authority (ERRA)

1.1 Introduction

A. The earthquake of 8th October 2005 caused severe damage and massive loss of lives and assets in the province of Khyber Pakhtunkhwa and the State of Azad Jammu & Kashmir. Immediately after the earthquake, the Federal Relief Commission was established on 10.10.2005 to mobilize all resources and coordinate relief activities. Thereafter, on 24.10.2005, the Government of Pakistan established Earthquake Reconstruction and Rehabilitation Authority (ERRA), as an autonomous organization for post disaster damage assessment and reconstruction & rehabilitation of the affected areas. The Authority was established in pursuance of Earthquake Reconstruction and Rehabilitation Authority Ordinance, 2006 (Ordinance No. XXVIII of 2006). The said Ordinance was re-promulgated as Ordinance No. XI of 2007. Later on, the Parliament passed an Act called as “Earthquake Reconstruction and Rehabilitation Authority Act 2011” which was published in the Gazette of Pakistan on 14.03.2011.

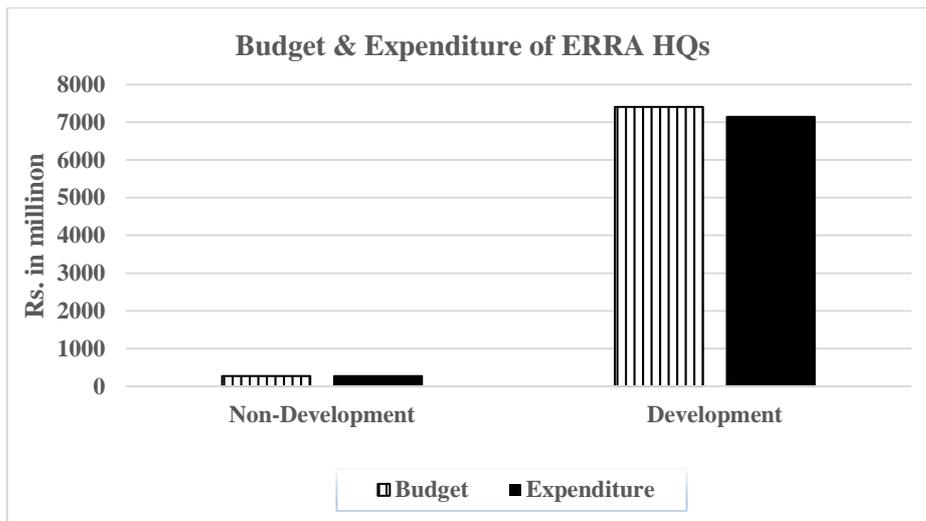
ERRA is performing its functions in five earthquake affected districts of Khyber Pakhtunkhwa (Abbottabad, Mansehra, Battagram, Shangla and Kohistan) through Provincial Earthquake Reconstruction and Rehabilitation Agency (PERRA) and four Districts of Azad Jammu and Kashmir (Muzaffarabad, Bagh, Rawalakot and Poonch) through State Earthquake Reconstruction and Rehabilitation Agency (SERRA).

B. Comments on Financial Expenditure of audited formations

(Rs. in million)

Name of Entity	Expenditure Head	Budget	Expenditure	Savings/Excess
ERRA HQs	Non-Development	275.299	275.290	0.009
	Development	7409.025	7144.947	261.078

The graphical representation of budget and expenditure of ERRA (HQs) is as under:



The entire payments of development and non-development expenditure of PERRA, SERRA & other field offices in Khyber Pakhtunkhwa and Azad Jammu and Kashmir are centralized and are processed and paid through Finance Wing of ERRA HQs.

C. Sectoral Analysis

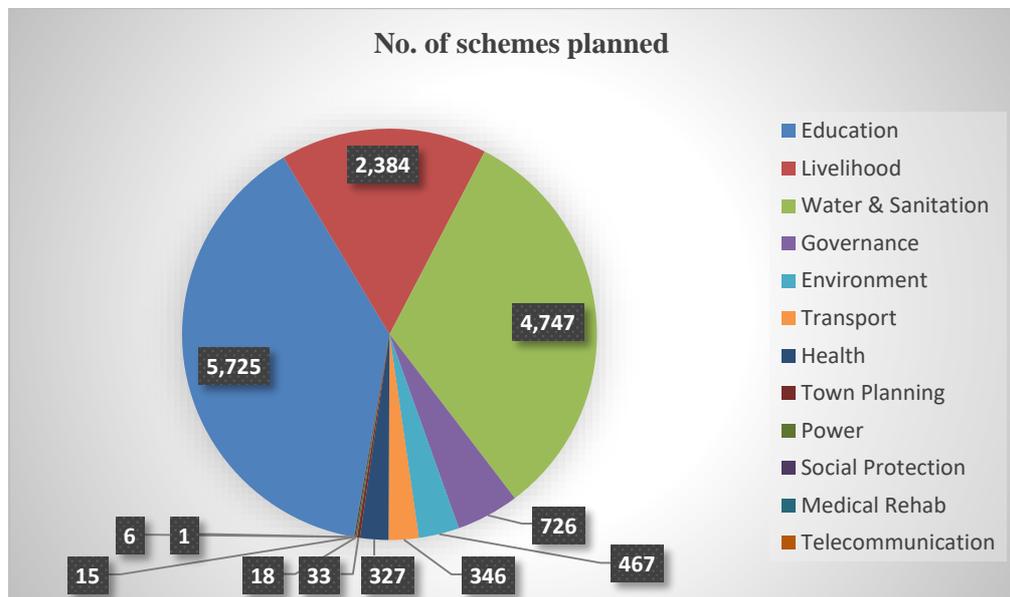
ERRA was established with the objective to plan, coordinate, monitor and regulate reconstruction and rehabilitation activities in the earthquake affected areas of Azad Jammu & Kashmir and Khyber Pakhtunkhwa. In the rehabilitation stage, under its Rural Housing Reconstruction Program, ERRA provided financial compensation to more than 28,000 urban residents for construction of houses. The total amount disbursed among the affectees for reconstruction of houses in rural part of earthquake affected areas was Rs. 71.95 billion¹².

In the reconstruction phase, a total of 14,795 projects/schemes in twelve (12) sectors were planned to be reconstructed/rehabilitated in earthquake

¹² ERRA Financial Statements 2023-24

affected areas by reconstructing the lost and destroyed facilities while following highest standards of reconstruction and rehabilitation with the obligation to “Build Back Better”.

The graphic presentation of the number of schemes planned by ERRA in different sectors is as under:



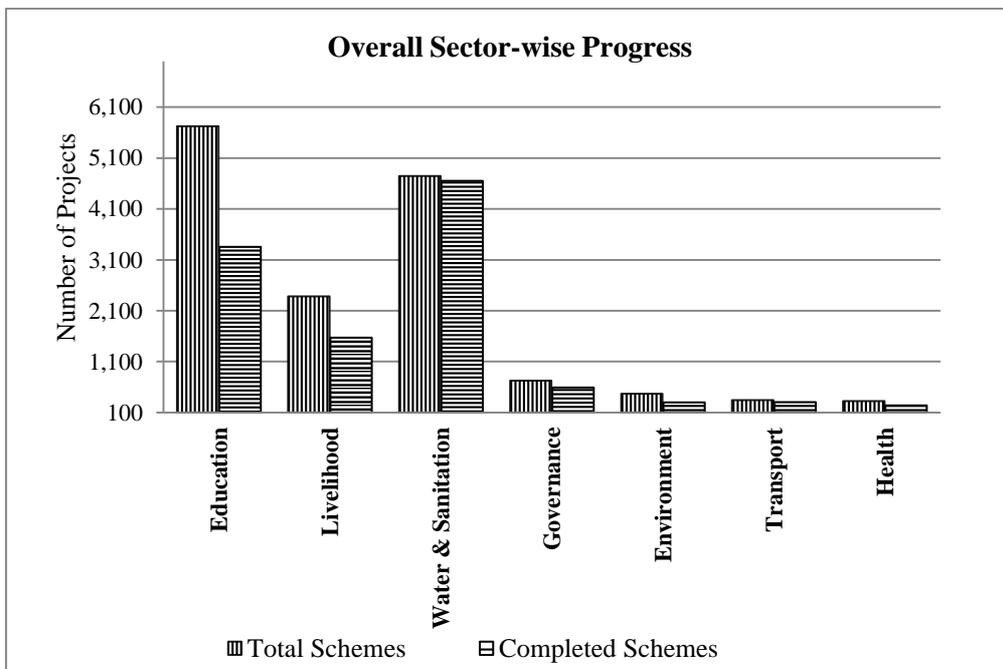
Since the inception of ERRA till 30th June 2024, 11,070 schemes in these sectors have been completed and handed over to the end users.

However, during the financial year 2023-24, no major expenditure on the reconstruction/rehabilitation of ongoing projects / schemes was incurred due to financial constraints. The status of schemes completed in 12 sectors was almost same as earlier i.e. till 30th June 2023. The overall sector-wise progress / achievement of ERRA as on 30.06.2024 is as under:

Sr. No.	Sectors	Total Projects	Completed Projects	Outstanding Projects
1.	Education	5,725	3,355	2,368
2.	Livelihood	2,384	1,571	813
3.	Water & Sanitation	4,747	4,651	95
4.	Governance	726	591	135
5.	Environment	467	298	168
6.	Transport	346	302	42
7.	Health	327	240	87
8.	Town Planning	33	31	2
9.	Power	18	15	3
10.	Social Protection	15	11	4
11.	Medical Rehab	06	04	2
12.	Telecommunication	01	01	0
Total		14,795	11,070	3,719

Source: data provided by ERRA

The above table reveals that out of total 14,795 projects, 11,070 have been completed till June 2023 and 3,719 schemes are still outstanding. The graphical presentation of the planned and completed projects in major sectors is as under:

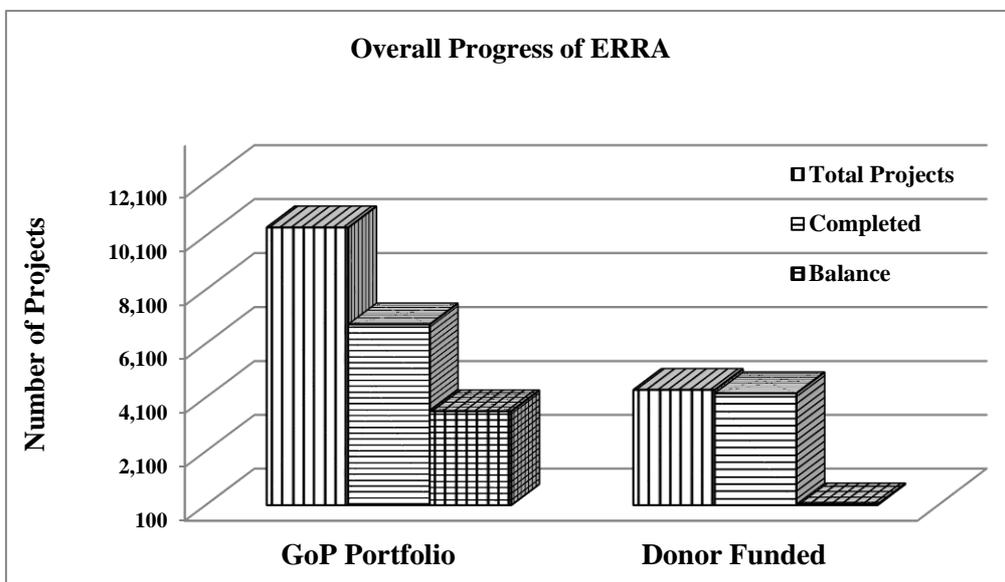


The ongoing and completed projects / schemes also include the schemes completed by ERRA (GoP funds) and donors funded schemes. The bifurcation of projects / schemes i.e. GoP funded and Donors funded with achieved level of progress is as under:

Source of funding	Total Projects	Completed	Rationalized	Balance	Percentage of completion
GoP Portfolio	10,408	6,810	1,083	2,515	66%
Donors	4,387	4,260	103	24	97%
Total	14,795	11,070	1,186	2,539	75%

Source: data provided by ERRA

The above table indicates that the completion percentage of donors funded projects was 97% as compared to the GoP funded projects which was only 66%. Furthermore, ERRA was able to achieve an overall progress of 75% since its inception in 2005 till 30th of June, 2024. Graphical representation is as under:



City Development Projects

In addition to above projects/schemes, four (04) City Development Projects i.e. New Balakot City Development Project (NBCDP) in Khyber Pakhtunkhwa and Muzaffarabad City Development Project (MCDP), Bagh City Development Project (BCDP) and Rawalakot City Development Projects (RCDP) in Azad Jammu and Kashmir were also executed by ERRA. Reconstruction of government facilities, road networks, water facilities, sewerage networks and other miscellaneous works were included in the respective City Development Projects (CDPs).

Land for New Balakot City Development Project (NBCDP) was acquired for Rs. 1.43 billion and work for construction was awarded to M/s Mumtaz Construction Company at a cost of Rs. 2,432.614 million on 25.06.2007. An amount of Rs. 2,966.571 million (development Rs. 2,822.115 million and operational Rs. 144.456 million) had been spent on NBCDP up to the financial year 2019-20. At present, the project is stalled and ERRA is required to take concrete measures to reinstate the project to ensure that the expenditure incurred does not go waste.

Total funding available for Azad Jammu and Kashmir Urban Development Program was USD 353 million, out of which USD 300 million (85% foreign component) was made available through a preferential buyer credit of EXIM Bank of China and USD 53 million (15% local component) was made available by Government of Pakistan through PSDP allocation as counterpart funding. The program was launched during December 2009.

Although, the City Development Projects in Azad Jammu and Kashmir have been physically completed. However, the financial closure is in process and final bills of the projects after ascertaining the recoveries pointed out by audit are required to be adjusted. Moreover, adjustment of mobilization/secured advance and financial assistance granted to the contractors also needs to be ensured.

Table-I Audit Profile of Earthquake Reconstruction & Rehabilitation Authority (ERRA)

(Rs. in million)

Sr. No.	Description	Total Nos.	Audited	Expenditure audited FY 2023-24	Receipts audited FY 2023-24
1.	Formations	10	01	4,451.177	Nil
2.	• Assignment Accounts	02	02	Nil	Nil
	• ERRA Fund Account	01	01	Nil	Nil
3.	Authorities / Autonomous Bodies etc. under the PAO	Nil	Nil	Nil	Nil
4.	Foreign Aided Project (FAP)	02	Nil	Nil	Nil

1.2 Classified Summary of Audit Observations

Audit observations amounting to Rs. 44,917.064 million have been raised in this report pertaining to ERRA. Recovery amounting to Rs. 2,139.632 million has been pointed out in the audit observations. Summary of the audit observations classified by nature is as under:

Table –II Overview of Audit Observations

(Rs. in million)

Sr. No.	Classification	Amount
1.	Internal controls	44,910.294
I	Financial Management	19,304.037
ii	Procurement management	13.080
iii	HR management/Organizational Management	25,593.177
2.	Public Service Delivery / Performance	6.770
A	Disaster Risk management (Response, Rescue, Recovery and Rehabilitation)	-
B	Climate Change and Environment Management	-
i	Mitigation (Legal frame work, Governance & Impact)	6.770
ii	Adaptation (Legal frame work, Governance & Impact)	-

1.3 Brief comments on the status of compliance with PAC directives

Since inception of ERRA, fifteen (15) audit reports on the accounts of ERRA have been published, out of which Audit Reports pertaining to the year 2006-07, 2009-10 and 2017-18 were discussed in the PAC meetings held from time to time. Current status of compliance with PAC directives for reports discussed so far is given below:

Sr. No.	Audit Report	PAC Held On	No. of Paras in PAC			Paras Implemented		
			Discussed	Settled	Directive Issued	Fully	Partially	Not
1	2006-07	15-Dec-08	44	9	35	-	-	35
2	2013-14	4-May-16	74	16	58	10	35	13
3	2009-10	16-May-17	37	36	1	-	-	1
4	2009-10	19-Oct-17	12	9	3	-	3	-
5	2017-18	13-Aug-21	10	7	3	-	3	-
6	2016-17	13-Aug-21	1	-	1	-	1	-
7	2015-16	13-Aug-21	1	-	1	-	1	-
8	2014-15	13-Aug-21	1	-	1	-	1	-
9	2010-11	13-Aug-21	2	-	2	-	2	-
10	2017-18	20-Oct-21	1	1	-	-	-	-
11	2016-17	20-Oct-21	4	-	4	-	4	-
12	2015-16	20-Oct-21	3	2	1	-	-	1
13	2014-15	20-Oct-21	5	4	1	-	1	-
14	2011-12	20-Oct-21	1	1	-	-	-	-
15	2010-11	20-Oct-21	1	-	1	-	-	1
16	2016-17	11-Feb-22	2	2	-	-	-	-
17	2015-16	11-Feb-22	2	-	2	-	2	-
18	2014-15	11-Feb-22	4	2	2	-	2	-
19	2012-13	11-Feb-22	4	2	2	-	2	-
20	2011-12	11-Feb-22	2	1	1	-	1	-
21	2010-11	11-Feb-22	2	1	1	-	1	-
Totals			213	93	120	10	59	51

ERRA is required to fully implement the remaining PAC directives especially the PAC directives pertaining to Audit Reports of 2010-11 to 2017-18 where the compliance is relatively low.

1.4 AUDIT PARAS

Financial Management

1.4.1 Non-production of record – Rs. 4,084.971 million

Article 170(2) of the Constitution of Islamic Republic of Pakistan states “The audit of the accounts of the Federal and of the Provincial Governments and the accounts of any Authority or Body established by, or under the control of, the Federal or a Provincial Government shall be conducted by the Auditor-General, who shall determine the extent and nature of such audit.”

The Honourable Supreme Court of Pakistan in para – 27(b) of its judgment dated 08.07.2013 decided that the Auditor-General, in order for him to fulfil his duties under Articles 169 and 170 of the Constitution, is not only authorized but also obligated to access all records maintained by Federal and Provincial Governments, and any entities under their control, regardless of any designation as ‘secret’ or otherwise.

Section 14 (2) of Auditor-General’s (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001 states that the officer in-charge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with all reasonable expedition and Section 14(3) of said Ordinance, stipulates that any person or authority obstructing the auditorial functions of the Auditor-General regarding inspection of accounts shall be subject to disciplinary action under relevant Efficiency and Discipline Rules, applicable to such person.

The Ministry of Law and Justice, vide its office memorandum No. F.No.467/2024-Law-I dated 04.09.2024, while examining the stance taken by a refusing entity, clarified that in terms of Article 169 of the Constitution of Islamic Republic of Pakistan, 1973, the Auditor-General of Pakistan has been mandated to perform Audit of the accounts of any Authority or Body established by the Federation and or a Province. The Auditor-General has all

kind of powers to inspect and enquire into the accounts, office, books and papers of any office under the control of Federation and Provinces.

ERRA has reported an expenditure Rs. 7,240.237 million (operational and developmental expenditure) in its Annual Financial Reports for the financial year 2023-24. A total of 595 vouchers having value amounting to Rs. 4,205.212 million were selected for certification audit on sample basis for test of internal controls and substantive testing (including 10 high value items). Entity provided 166 vouchers having value of Rs. 120.242 million and 429 vouchers amounting to Rs. 4,084.971 million were not provided.

During the Certification audit of Earthquake Reconstruction & Rehabilitation Authority (ERRA) for the Financial Year 2023-24, it was requested to provide the auditable record vide requisition letter Nos. DGA (CC&E)/ Fed/Certification-ERRA/FY 2023-24/01,2,3,4 & 5 dated 12.11.2024, 14.11.2024, 19.11.2024, 20.11.2024 and 22.11.2024 respectively. The record was requisitioned for Certification Audit for the F.Y. 2023-24. However, it was not provided to audit despite reminders as well as meetings with the concerned officers of the department by the Field Audit Team. Subsequently, the matter was escalated to the level of Principal Accounting Officer (PAO) by the Director General Audit. However, the issue of non-production has remained unresolved. The details of record not produced to audit is attached at annexure-III.

Audit held that in such circumstances, accounts cannot be certified as neither the sanctity of utilization of Public Money according to relevant financial and other applicable rules could be verified nor the constitutional duty of the Auditor-General of Pakistan could be fulfilled.

The initial audit observation was issued on 04.12.2024 to the management, but no response was received.

The PAO was requested to convene DAC meeting. However, the same was not convened till finalization of this report.

Audit recommends that responsibility may be fixed on the person(s) at fault for non-production of record and disciplinary proceedings be initiated against the concerned under relevant E&D, Rules.

(Para No. 22 of ERRA Certification Audit Report F.Y. 2023-24)

1.4.2 Decrease in value of matured liabilities and excess payment without supporting documents and explanatory notes – Rs. 4,666.766 million

According to Para 1.3.12 of International Public Sector Accounting Standard (IPSAS) for financial reporting under cash basis of accounting, the statement of cash receipts and payments shall present:

- (a) Total cash receipts of the entity showing separately a sub-classification of total cash receipts using a classification basis appropriate to the entity's operations.
- (b) Total cash payments of the entity showing separately a sub-classification of total cash payments using a classification basis appropriate to the entity's operations.
- (c) Beginning and closing cash balances of the entity.

Earthquake Reconstruction and Rehabilitation Authority (ERRA) prepared annual financial statements for the financial year 2023-24 showing a nil balance of matured liabilities and tax liabilities in statement of Asset and Liabilities.

During certification audit of ERRA for the financial year 2023-24, it has been observed that a nil balance of matured liabilities was reflected in statement of Asset and Liabilities for the FY 2023-24 as compared to Rs. 4,666.766 million disclosed in AFS for the FY 2022-23. However, details of settlement of these liabilities were not mentioned in notes to the accounts and allied record/supporting documents was also not provided. Details are at annexure-IV.

Audit further observed that ERRA has paid an amount of Rs.6,452.261 million on account of settlement of matured liabilities. However, an amount of Rs. 2,599.760 million was disclosed as matured liabilities in AFS for the FY 2022-23 resulting in excess payment of Rs. 3,852.471 million. Moreover, allied

record was not available /provided and explanatory note was not given in notes to the accounts. Details are at annexure-V.

Audit held that decrease in value of matured liabilities without supporting documents and non-disclosure in notes to the Annual Financial Statements was irregular. Furthermore, settlement/payment of matured liabilities beyond the amount reported in previous year AFS and without allied record was irregular.

The initial audit observation was issued on 04.12.2024 to the management, but no response was received.

The PAO was requested to convene DAC meeting. However, the same was not convened till finalization of this report.

Audit recommends that management may look into the matter under intimation to audit.

(Para No. 4,5 & 6 of ERRR Certification Audit Report F.Y. 2023-24)

1.4.3 Non-production of record – Rs. 3.892 Billion

Article 170(2) of the Constitution of Islamic Republic of Pakistan states “The audit of the accounts of the Federal and of the Provincial Governments and the accounts of any Authority or Body established by, or under the control of, the Federal or a Provincial Government shall be conducted by the Auditor-General, who shall determine the extent and nature of such audit.”

The Honorable Supreme Court of Pakistan in para – 27(b) of its judgment dated 08.07.2013 decided that the Auditor-General, in order for him to fulfill his duties under Articles 169 and 170 of the Constitution, is not only authorized but also obligated to access all records maintained by Federal and Provincial Governments, and any entities under their control, regardless of any designation as ‘secret’ or otherwise.

Section 14 (2) of Auditor-General’s (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001 states that the officer in-charge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with all reasonable expedition and Section 14(3) of said

Ordinance, stipulates that any person or authority obstructing the auditorial functions of the Auditor-General regarding inspection of accounts shall be subject to disciplinary action under relevant Efficiency and Discipline Rules, applicable to such person.

The Ministry of Law and Justice, vide its office memorandum No. F.No.467/2024-Law-I dated 04.09.2024, while examining the stance taken by a refusing entity, clarified that in terms of Article 169 of the Constitution of Islamic Republic of Pakistan, 1973, the Auditor-General of Pakistan has been mandated to perform Audit of the accounts of any Authority or Body established by the Federation and or a Province. The Auditor-General has all kind of powers to inspect and enquire into the accounts, office, books and papers of any office under the control of Federation and Provinces.

ERRA incurred an expenditure amounting to Rs. 3.892 billion on PMIU AJ&K, PMIU KPK, NESPAK and Misc. during the financial year 2023-24.

During the compliance audit of Earthquake Reconstruction & Rehabilitation Authority (ERRA) for the Financial Year 2023-24, it was requested to provide the auditable record vide letters No. DGA(CC&E)/ERRA/2023-24/01 dated 22.08.2024, No. DGA(CC&E)/ERRA/2023-24//02 dated 29.08.2024, No. DGA(CC&E)/ERRA/2023-24/01/2492 dated 09.09.2024, No. DGA(CC&E)/ERRA/2023-24/01/2535 dated 26.09.2024. The record was requisitioned for Compliance Audit for the FY 2023-24. However, it was not provided to Audit despite reminders as well as meetings with the concerned officers of the department by the Field Audit Team. Subsequently, the matter was escalated to the level of Principal Accounting Officer (PAO) by the Director General Audit. However, the issue of non-production has remained unresolved. The details of record not produced to audit is as under.

(Rs. in million)

Sr. No.	Portfolio	Expenditure
1	PMIU AJ&K	1,836.668
2	PMIU KPK	853.270
3	NESPAK	1,001.947
4	Misc.	200.177
Total		3,892.062

Audit held that in such circumstances, neither the sanctity of utilization of Public Money according to relevant financial and other applicable rules could be verified nor the constitutional duty of the Auditor-General of Pakistan could be fulfilled.

The matter was pointed out to the management on 02.12.2024 but no reply was received.

The PAO was requested to convene DAC meeting. However, the same was not convened till finalization of this report.

The Audit recommends that the responsibility be fixed on those responsible for non-production of record and disciplinary proceedings be initiated against the concerned under relevant E&D, Rules.

(Para No.26 of AIR 202324, ERRA, Dev and Non-Dev)

1.4.4 Non-closure of ERRA Fund account and non-transfer of funds to Federal Consolidated Fund – Rs. 1,762.875 million

According to Section 32 of Public Finance Management Act, 2019, where the Federal Government is satisfied that either the purposes for which any special fund was established have been fully served or it is in the public interest to wind up a special fund, it shall notify dissolution of the said special fund and any credit balances in such fund shall be transferred to the Federal Consolidated Fund. An evaluation report and regulation of such funds shall be notified by the Finance Division.

Earthquake Reconstruction and Rehabilitation Authority (ERRA) prepared Annual Financial Statements (AFS) for the Financial Year 2023-24 and disclosed an amount of Rs. 1,762.875 million as closing balance of ERRA Fund account.

During certification audit of ERRA for the FY 2023-24, it has been observed that as per Government directions ERRA was to be subsumed in NDMA. The budget for the FY 2024-25 was not allocated to ERRA. However, after ERRA was subsumed in NDMA, the matter of winding up and dissolution of ERRA Fund was not taken up with the Finance Division and the Federal

Government. Instead of crediting the balances of the Fund to the Federal Consolidated Fund, record related to ERRA Fund Account was handed over to NDMA staff on 21.08.2024.

Audit held that non taking up of the matter of ERRA Fund with Finance and Federal Government and non-transfer of balance amount to Federal Consolidated Fund was unauthorized.

The initial audit observation was issued on 04.12.2024 to the management, but no response was received.

The PAO was requested to convene DAC meeting. However, the same was not convened till finalization of this report.

Audit recommends that matter may immediately be brought into the notice of Finance Division and Federal Government under intimation to audit.

(Para No. 13 of ERRA Certification Audit Report F.Y. 2023-24)

1.4.5 Accretion of default surcharge due to non-deposit of income tax deducted from payments made to contractors – Rs. 1,702.123 million

Section 161(1B) states that where at the time of recovery of tax under sub-section (1) it is established that the tax that was to be deducted from the payment made to a person or collected from a person has meanwhile been paid by that person, no recovery shall be made from the person who had failed to collect or deduct the tax but the said person shall be liable to pay default surcharge at the rate of twelve per cent per annum from the date he failed to collect or deduct the tax to the date the tax was paid.

Earthquake Reconstruction and Rehabilitation Authority (ERRA) made payments amounting to Rs. 31,895.845 million and deducted taxes of Rs. 1,914.132 million from the contractors of City Development Projects (CDPs). Out of total deducted tax, Rs.1,811.980 million was still to be deposited in the Government treasury.

During audit of City Development Projects (CDPs) of ERRA for the financial years 2020-23, it was observed that the income tax was deducted from

the contractors bills since May 2012, but not deposited into the government treasury. Moreover, due to non-deposit of tax well in time the entity would have to pay default surcharge at the rate of 12 % per annum amounting to Rs. 1,702.123 million. Details are at annexure-VI.

Audit held that non-deposit of income tax was violation of rules which may also lead to penal action against CDPs from taxation authority amounting to Rs. 1,702.123 million.

Initial audit observation was issued on 01.04.2024. It was replied that the matter of tax liability of ERRA has already been taken-up with Government Adjuster/ Additional Secretary Finance that tax liability is “Govt. to Govt.” payments and proposed that the tax liability of ERRA be adjusted through book adjustment. The case is still under process.

The PAO was requested to convene DAC meeting. However, the same was not convened till finalization of this report.

Audit recommends that income tax deducted from payments made to contractors may be deposited in to Government treasury.

Note: The issue was also reported earlier in the Audit Report for the Audit Year 2021-22 vide Para No.1.4.10 having financial impact of Rs. 1.215 billion. Recurrence of same irregularity is a matter of serious concern.

(Para No. 06 of AIR 2020-24 CDPs, ERRA)

1.4.6 Decrease in value of fixed assets without supporting documents and explanatory notes - Rs. 1,654.033 million

According to Para 1.3.12 of International Public Sector Accounting Standard (IPSAS) for financial reporting under cash basis of accounting the statement of cash receipts and payments shall present:

- (a) Total cash receipts of the entity showing separately a sub-classification of total cash receipts using a classification basis appropriate to the entity's operations.

- (b) Total cash payments of the entity showing separately a sub-classification of total cash payments using a classification basis appropriate to the entity's operations.
- (c) Beginning and closing cash balances of the entity.

Earthquake Reconstruction and Rehabilitation Authority (ERRA) prepared annual financial statements for the financial year 2023-24 and disclosed an amount of Rs. 208.238 million as fixed assets of the entity.

During certification audit of ERRA for the financial year 2023-24, it has been observed that value of fixed assets decreased by Rs. 1,654.033 million as compare to figures reported in AFS for the FY 2022-23 without any allied record and without explanatory notes to the Annual Financial Statements. Details are as under:

(Rs. in million)

Sr. No.	Description	Amount shown in AFS FY 2022-23	Amount shown in AFS FY 2023-24	Difference
1.	Vehicles	382.114	148.030	234.084
2.	Fixed Assets	118.329	60.208	58.121
3.	Land & Property	1,361.828	-	1,361.828
Total		1,862.271	208.238	1,654.033

Audit held that non-disclosure of change in the value of fixed assets in notes to the Annual Financial Statements and without supporting documents was irregular.

The initial audit observation was issued on 04.12.2024 to the management, but no response was received.

The PAO was requested to convene DAC meeting. However, the same was not convened till finalization of this report.

Audit recommends that change in the value of fixed assets may be disclosed in notes to the Annual Financial Statements for complete and fair presentation.

(Para No. 2 of ERRA Certification Audit Report F.Y. 2023-24)

1.4.7 Unverified expenditure due to non-production of record – Rs. 432.685 million

According to Guideline 2.37 of Guidelines for Project Management issued by the Planning Commission, the Planning Commission proforma I (generally called PC-I) is the primary project document, and its preparation is a key step in project preparation and processing.

According to clause 55.1 of FIDIC General Conditions of Contract, the quantities set out in the Bill of Quantities are the estimated quantities for the Works.

Bagh City development Project (BCDP) awarded a contract to M/s CWE for Infrastructure Services Part-C (Water Distribution, Housing Connection). Against the work of Water Distribution, Housing Connection, payment of Rs. 432.685 million was made to the contractor.

During audit of the FPC of the “Infrastructure Services Part-C, Bagh” it was observed that the following documents related to the project were not produced to audit despite requisitions No. DGA (CC&E)/CDPs-ERRA/2023-24 dated 19.01.2024, 13.02.2024, 15.03.2024, 28.03.2024 and 01.04.2024:

1. PC-I of the project
2. Contract documents
3. Priced BOQs
4. Approval of variation order and justification
5. Documentary evidence regarding administrative approval of the project
6. Correspondence and date wise detail of Mobilization Advance
7. Detail along with subsidiary record of removal of defects mentioned in Punch List
8. Progress Reports
9. IPCs and subsidiary record on account of payment of General items.

Audit held that in-absence of project record, the expenditure incurred on the project amounting to Rs.432.685 million could not be verified/ audited.

Initial audit observation was issued on 16.04.2024. It was replied that record for the project title infrastructure services part-C Bagh will be provided to Audit Authorities for verification.

The reply was not cogent as no record was produced till finalization of this report.

The PAO was requested to convene DAC meeting. However, the same was not convened till finalization of this report.

Audit recommends that the matter may be inquired as to why the record was not produced during audit.

(Para No. 39 of AIR 2020-24 CDPs, ERR)

1.4.8 Irregular payment on account of price adjustment – Rs. 287.795 million

The Standard Procedure and Formula for Price Adjustment (First Edition March 2009 issued by Pakistan Engineering Council provides that (Instruction to users) (1), no method, other than given in this document, is acceptable to compute the price adjustment. Furthermore, according to Part-I, Procedure (B-Parameters), Weightages of Specified items, each of the cost elements, having cost impact of five (05) percent or higher can be selected for adjustment. (C) 1, the billed amount of the Works for each calendar month will be obtained from the checked bills submitted by the Contractor. In case the billed amount is for more than one month, the amount of the bill shall be segregated for actual work done in each month.

In addition, sub clause 13.8 of the Conditions of the Contract, the price adjustment multiplier shall be applied to the work carried out in period 'n' i.e. calendar month as provided in Appendix-III to bidding documents.

City development Projects (CDPs) paid an amount of Rs. 287.795 million to the contractors for price adjustment. Details are at annexure-VII.

During audit of the Final Payment Certificates (FPC) of CDPs, it was observed that contrary to the provision of Standard Procedure and Formula for Price Adjustment as *ibid*, actual work done carried out in each month has not

been segregated while calculating price adjustment rather the work done of each IPC has been distributed on proportionate basis over the months of billing period.

Audit held that distribution of work done on proportionate basis is violation of instruction of PEC which lead to whole payment as irregular.

Initial audit observation was issued on 16.04.2024. It was replied that the Contract agreement between ERRA and Contractor i.e. Umbrella Contract was signed in February 2009 and PEC bye Laws for The Standard Procedure and Formula for Price Adjustment were drafted in March 2009 and approved by PEC governing body in September 2011. Due to above mentioned reasons PEC bye laws are not applicable to CDP projects.

The reply was not tenable as the payment was made after the March 2009, therefore, the formula was required to be followed.

The PAO was requested to convene DAC meeting. However, the same was not convened till finalization of this report.

Audit recommends that irregular payment on account of price adjustment may be got regularization from the Finance Department.

Note: The issue was also reported earlier in the Audit Report for the Audit Year 2017-18 vide Para No.2.4.102 having financial impact of Rs. 9.84 million, Audit Report for the Audit Year 2021-22 vide Para No.1.4.24 having financial impact of Rs.191.564 million. Recurrence of same irregularity is a matter of serious concern.

(Para No. 28 of AIR 2020-24 CDPs, ERRA)

1.4.9 Non deposit of profit into government treasury- Rs. 182.204 million

According to Para 26 of ERRA Accounting Procedure, the receipts if any generated by the Authority shall be the receipts of the government and shall be deposited in the government treasury on the same day, and if received after banking hours, on the next working day.

Earthquake Reconstruction and Rehabilitation Authority (ERRA) is maintaining a non-lapsable bank account bearing No. 14-5 under the title

‘ERRA Fund Account’ in NBP Foreign Office branch, Islamabad. ERRA earned a profit/ interest of Rs. 182.204 million during the financial year 2023-24.

During certification audit of ERRA for the financial year 2023-24, it has been observed that profit/interest earned during the year amounting to Rs. 182.204 million was not deposited into government treasury as required. It was further observed that approval of the Finance Division specifically for maintaining of profit bearing bank account was not been obtained.

Audit held that non-deposit of receipts into ERRA funds was violation of Para 26 of ERRA accounting procedure.

The initial audit observation was issued on 04.12.2024 to the management, but no response was received.

The PAO was requested to convene DAC meeting. However, the same was not convened till finalization of this report.

Audit recommends that profit earned may be deposited into government treasury and approval of Finance Division for opening and operating of profit bearing account may be obtained.

Note: The issue was also reported earlier in the Audit Report for the Audit Year 2023-24 vide Para No.1.4.2 having financial impact of Rs. 247.014 million, Audit Report for the Audit Year 2018-19 vide Para No.1.1.1 having financial impact of Rs. 34.955 million, Audit Report for the Audit Year 2017-18 vide Para No.1.1.5 having financial impact of Rs.16.197 million, Audit Report for the Audit Year 2016-17 vide Para No.2.4.7 having financial impact of Rs.41.960 million and Audit Report for the Audit Year 2015-16 vide Para No.1.1.13 having financial impact of Rs.34.477 million Recurrence of same irregularity is a matter of serious concern.

(Para No. 7 of ERRA Certification Audit Report F.Y. 2023-24)

1.4.10 Less recovery of Chinese security and consultancy claim – Rs.173.812 million

As per Umbrella PC-I titled “Muzaffarabad City Development Project (MCDP)”, the cost of establishment of PMU (Personnel & equipment), Consultancy Services (@2% of civil works cost) and Security for Chinese Construction Companies was to be borne by the Government of Pakistan as counterpart funding.

In 26th meeting of Program Steering Committee for AJK Urban Development Program held on 14th March 2014 it was decided that the total cost incurred on Chinese Security and Consultancy Charges will be recovered from the Chinese loan duly adjusted in the project cost from the ongoing and forthcoming projects, but not exceeding the costs actually paid to the NESPAK and Police Department AJK.

City development Projects (CDPs) paid an amount of Rs. 329.990 million for Chinese security and consultancy to the contractors.

During audit of the FPCs of the CDPs, it was observed that the management of CDPs had drawn Chinese security and consultancy amounts from loan account through contractor’s IPCs. The amounts were reclaimed from contractor by obtaining his cheques in the name of ERRA Fund Account. Audit noticed that an amount of Rs. 173.812 million was less recovered/claimed from the contractor in 10 projects. The detail is as under:

(Amount Rs.)

Sr. No.	Project name	Amount claimed as per final bill	Amount recovered	Balance
1	Link Road from PWD Rest House to Awera, Bagh AJ&K	20,975,872	17,924,828	3,051,044
2	Link road Haidary Chowk to Ring Road Section-I (via Azad Khan House), Bagh	37,395,873	31,956,474	5,439,399
3	Kohal Dhirkot Road Part-B, Bagh	27,603,636	23,588,476	4,015,160
4	Construction of Link Road from FG School to Bagloor Bount, Bagh	9,621,459	8,221,974	1,399,485
5	Link Road from Main Bridge Grid Station to Bani Pasari	7,618,457	6,510,318	1,108,139

6	Greater Water Supply Scheme Part-D, Bagh	13,614,325	9,076,004	4,538,321
7	Talhee Mandi, Muzaffarabad	96,782,810	18,513,419	78,269,391
8	United Hospital to BHQ Road, Rawalakot	12,581,093	10,751,115	1,829,978
9	Sewage & Sewerage Treatment, Rawalakot	24,393,142	20,845,049	3,548,093
10	Allama Iqbal Bridge to Police Line Road, Muzaffarabad	79,403,001	8,790,317	70,612,684
Total		329,989,668	156,177,974	173,811,694

Audit held that cheques received from the contractors are of lesser amount than actual amount drawn from the Chinese loan. Moreover, it was not ensured that cheques given by the contractors were cleared/encashed.

Initial audit observation was issued on 16.04.2024. It was replied that the Chinese Security and consultancy has been worked out at given rate and amount of the contractor's overhead and income tax @ (10% & 6% respectively) were included in the worked out amount. The amount has been correctly been recovered from Chinese contractors and deposited in ERRA Fund. Moreover, the PSC approved the adjustment of funds against the projects mentioned at Sr. No. 7 & 10.

The reply was not acceptable because documentary evidence in support of payments of overhead/ profit and income tax was not provided. Documentary evidence of recovery through adjustment against Sr.No.7 & 10 was also not produced. Moreover, 10% profit was also paid to the contractors for claiming this amount through contractor's IPCs and not against any work done which is a serious irregularity and an established loss to government. Furthermore, documentary evidence regarding deposit of cheques in the ERRA fund was also not provided.

The PAO was requested to convene DAC meeting. However, the same was not convened till finalization of this report.

Audit recommends that less recovered/claimed amount in all projects may be worked out and recovered from the contractors. Furthermore, it may be ensured that all cheques of contractors have been cleared from the banks under intimation to audit.

1.4.11 Un-authorized expenditure out of ERRRA Fund account after 30th June, 2024 – Rs. 128.534 million

According to Section 32 of Public Finance Management Act, 2019, where the Federal Government is satisfied that either the purposes for which any special fund was established have been fully served or it is in the public interest to wind up a special fund, it shall notify dissolution of the said special fund and any credit balances in such fund shall be transferred to the Federal Consolidated Fund. An evaluation report and regulation of such funds shall be notified by the Finance Division.

Earthquake Reconstruction and Rehabilitation Authority (ERRRA) prepared Annual Financial Statements (AFS) for the Financial Year 2023-24 and disclosed an amount of Rs. 1,409.294 million as closing balance of ERRRA Fund account.

During certification audit of ERRRA for the FY 2023-24, it has been observed that as per Government directions ERRRA was to be subsumed in NDMA. The budget for the FY 2024-25 was not allocated to ERRRA. However, after ERRRA was subsumed in NDMA, the matter of winding up and dissolution of ERRRA Fund was not taken up with the Finance Division and the Federal Government. Instead of crediting the balances of the Fund to the Federal Consolidated Fund, ERRRA incurred an expenditure of Rs. 128.534 million from 1st July, 2024 to September, 2024. Later on, the record related to ERRRA Fund Account was handed over to NDMA staff on 21.08.2024.

Audit held that non taking up of the matter of ERRRA Fund with Finance and Federal Government and incurrence of expenditure instead of transfer of balance amount to Federal Consolidated Fund was un-authorized.

The initial audit observation was issued on 04.12.2024 to the management, but no response was received.

The PAO was requested to convene DAC meeting. However, the same was not convened till finalization of this report.

Audit recommends that expenditure/withdrawal out of ERRA Fund account may be stopped henceforth and matter be taken up with Finance Division and Federal Government under intimation to audit.

(Para No.14 of ERRA Certification Audit Report F.Y. 2023-24)

1.4.12 Irregular payments in excess of approved BOQ quantities – Rs. 86.889 million

As per Clause 52.3 of GCC “If there have been additions to or deductions from the Contract Price which taken together are in excess of 15 percent of the "Effective Contract Price" then and in such event after due consultation by the Engineer with the Employer and the Contractor, there shall be added to or deducted from the Contract Price such further sum as may be agreed between the Contractor and the Engineer or, failing agreement, determined by the Engineer having regard to the Contractor's Site and general overhead costs of the Contract. The Engineer shall notify the Contractor of any determination made under this Sub-Clause, with a copy to the Employer. Such sum shall be based only on the amount by which such additions or deductions shall be in excess of 15 percent of the “Effective Contract Price”.

Management of Bagh City development Project (BCDP) & Muzaffarabad City Development Project (MCDP) made payment of Rs. 89.383 million for certain BOQ items under different projects. Details are at annexure-VIII.

During scrutiny of FPCs, it was observed that an amount of Rs. 86.889 million was paid to the contractor on account of execution of excess quantities over and above the quantities approved in BOQ. The quantity was increased many times more than the total approved quantity for each line item ranging from 934% to 26332%. The approval of VOs was also not provided to Audit.

Audit held that Engineering estimates and BOQ were prepared by NESPAK keeping in view the actual scope of work. A huge amount on certain works, which could not be forecasted either by consultant / department or contractor at the time of signing of contract, makes the planning as well as payment doubtful.

Initial audit observation was issued on 16.04.2024. It was replied that actual execution adjustment in road alignment as permitted by the community has resulted into the variation in earth work quantities. It may please be noted that despite of such variations these projects have been completed well within allocated project cost. The increase in quantities for one or two specific items does not indicate a lack of preparation in the Engineer's estimate.

The reply was not tenable as the quantities were increased many times more than the total approved quantities for each line item ranging from 934% to 26332%.

The PAO was requested to convene DAC meeting. However, the same was not convened till finalization of this report.

Audit recommends that matter may be inquired with a view to fix responsibility on the person (s) at fault.

(Para No. 30 of AIR 2020-24 CDPs, ERRRA)

1.4.13 Un-authorized withdrawal of funds from assignment account and deposited into ERRRA Fund account- Rs. 83.497 million

According to Section 23 (2) of Public Finance Management Act, 2019, no authority shall transfer public moneys for investment or deposit from government account (including the assignment accounts) to other bank account without prior approval from the Federal Government. The Principal Accounting Officer in respect of all the spending units under his control shall submit a certificate to the Finance Division on half yearly basis.

Furthermore, according to Finance Division O.M No.F.2 (2)-BR-II/2008-695/2017 dated 16-06-2017, the transfer of funds from the assignment account for deposit into chest or any bank account is completely forbidden. The Principal Accounting Officer of the concerned ministry will ensure that no such transactions take place.

Earthquake Reconstruction and Rehabilitation Authority (ERRRA) is maintaining 02 assignment accounts for development and non-development

and a non-lapsable bank account bearing No. 14-5 under the title 'ERRA Fund Account' in NBP Foreign Office branch, Islamabad.

During certification audit of ERRA for the financial year 2023-24, it has been observed that ERRA withdrew an amount of Rs.83.497 million from assignment account maintained for development funds without immediate disbursement requirement and deposited into Authority's interest-bearing ERRA Fund account in violation of the law.

Audit held that withdrawal of funds from assignment account for deposit it into any other account was the violation law.

The initial audit observation was issued on 04.12.2024 to the management, but no response was received.

The PAO was requested to convene DAC meeting. However, the same was not convened till finalization of this report.

Audit recommends that the matter may be taken up with Finance Division under intimation to audit.

(Para No.9 of ERRA Certification Audit Report F.Y. 2023-24)

1.4.14 Wasteful operational expenditure on New Balakot City Development Project (NBCDP) - Rs. 60.874 million

According to Para 10 (i) of GFR Vol-I, every public officer is expected to exercise the same vigilance in respect of expenditure incurred from public moneys, as a person of ordinary prudence would exercise in respect of expenditure of his own money.

New Balakot City Development Project (NBCDP) was launched on 18th May, 2007 for rehabilitation and reconstruction of Balakot city affected by 2005 earthquake. Accordingly, a project namely New Balakot City Development Project (NBCDP) was launched vide letter No.12-3/(2006-ERRA (P)UD dated 18th may 2007. Contract was awarded to M/S Mumtaz Construction Company at total cost of Rs. 2,432.614 million on 25th June 2007 with the completion time of 3 years.

During audit of NBCDP for the FY 2023-24, it was observed that development work/project was stopped in 2014 and the same could not be started till end of audit. However, the operational expenditure was incurred regularly. Details are as under:

(Rs. in million)		
Sr. No.	Financial years	Operational cost
1	2015-16 to 2019-20	42.935
2	2020-21 to 2022-23	17.939
Total		60.874

Audit held that incurrence of expenditure despite non execution of development work was unjustified which resulted into wastage of public resources.

Initial audit observation was issued on 01.04.2024. The management replied that a Fact-Finding Committee, was already, constituted under the Chairmanship of Director PMIU KP to dig out/ inquire the operational expenditure against the stalled project of NBC since 2014.

The reply was not satisfactory as no fact finding report was provided to audit.

The PAO was requested to convene DAC meeting. However, the same was not convened till finalization of this report.

Audit recommends that the matter may be inquired at appropriate level regarding incurrence of operational expenditure on stalled projected besides fixation of responsibility.

Note: The issue was also reported earlier in the Audit Report for the Audit Year 2021-22 vide Para No.1.4.8 having financial impact of Rs. 2.967 billion (2.822 billion development expenditure + 144.456 million operational expenditure). Recurrence of same irregularity is a matter of serious concern.

(Para No. 18 of AIR 2020-24 CDPs, ERR)

1.4.15 Non-deduction of education cess – Rs. 41.854 million

According to section 2(3) of the Azad Jammu and Kashmir Education Cess Act 1975, there shall be levied a Cess known as Education Cess chargeable at the rate of 5% on the amount of income tax/ super tax assessed and payable by the assesses except Government employees and all employees of autonomous bodies and Semi-Government bodies and banks. Furthermore, according to section 3 the Azad Jammu and Kashmir Education Cess Act 1975, responsibility of collection of education cess shall lie upon the authority which disburses the salaries or recovers any amount or releases anything, upon which education cess is liable. If an authority, responsible collection of education cess, fails to recover from him as penalty a sum not exceeding the amount of education cess not so recovered, in addition to the amount of the cess recoverable by such collecting authority.

City Development Projects (MCDP, BCDP & RCDP), ERRA deducted an amount of Rs. 837.083 million income tax from various contractors. The detail is as under:

(Rs in million)

Sr. No.	Location	Income Tax Deducted (Rs.)	Education Cess Not Deducted (5%) (Rs.)
1	MCDP	516.380	25.819
2	BCDP	237.142	11.857
3	RCDP	83.561	4.178,
Total		837.083	41.854

During audit of City Development Projects of ERRA it was observed that the amount account of Education Cess @ 5% of Income Tax deducted amounting to Rs.41.854 million was not deducted and deposited into Government Treasury in accordance with provisions of Azad Jammu and Kashmir Education Cess Act 1975.

Audit held that non-deduction of Education Cess was serious lapse on the part of management.

Initial audit observation was issued on 16.04.2024. It was replied that Education Cess is a local Govt. Tax of AJK, as the funds were funded by the

Federal Govt., therefore, the same does not apply to Foreign/ Federal Govt. funding.

The reply was not satisfactory as the payments were made in the territory of AJK so their regulations are applicable same as the case of Income Tax and GST.

The PAO was requested to convene DAC meeting. However, the same was not convened till finalization of this report.

Audit recommends that Education Cess may be deducted under section 2(3) of Azad Jammu and Kashmir Education Cess Act 1975 and deposited into government treasury under intimation to audit.

Note: The issue was also reported earlier in the Audit Report for the Audit Year 2019-20 vide Para No.5.4.23 having financial impact of Rs. 37.117 million, Audit Year 2019-20 vide Para No.5.4.24 having financial impact of Rs. 2.827 million and Audit Report for the Audit Year 2016-17 vide Para No.2.4.27 having financial impact of Rs.13.920 million (Ed.Cess Rs. 5.437 million + TQT Rs. 8.483 million). Recurrence of same irregularity is a matter of serious concern.

(Para No. 41 of AIR 2020-24 CDPs, ERR)

1.4.16 Unauthorized expenditure beyond approved variation order - Rs.41.755 million

According to Clause-13.1 of GCC, variation may be initiated by the Engineer at any time prior to issuing the taking over certificate for the works, either by an instruction or by a request for the contractor to submit a proposal.

Muzaffarabad City Development Project (MCDP) made final payment amounting to Rs.351.158 million on account of Tahli Mandi Road - Muzaffarabad to M/s CXB. The contract was awarded with total cost of Rs 297.252 million on 27.03.2010 and taking over certificate was issued on 20.05.2015.

During audit of City Development Project (CDP) for the financial year 2023-24, it was observed as under:

- i. The management-initiated variation order no. 02 and 03 after issuance of Taking over Certificate.
 - ii. The management incurred excess expenditure than the approved variation order i.e. amounting to Rs. 41.754 million
 - iii. The management did not issue performance certificate till date.
- Detail as under:

Project Name	Description	Date of TOC	Date of approval of VO	Amount approved Rs.	Amount claimed Rs.	Difference Rs.
Talhi Mandi Road	VO-2	20.05.2015	27.02.2017	159,971,161	201,725,948	41,754,787
	VO-3		23.01.2018	798,561	798,561	-
Total				160,769,722	202,524,509	41,754,787

Audit held that initiation of variation order after TOC and incurrence of excess expenditure than approved amount of variation order was violation of contract agreement and stands unauthorized.

Initial audit observation was issued on 01.04.2024. It was replied that road was located on the bank of Neelum River. Due to flood in July 2010, 600 meters of under construction road was washed away. Road was redesigned with proper flood protection works. By that time unspent amount was Rs. 41,841,411. The overall cost of new design was Rs. 201,812,572 and after adjustment of unspent amount of BOQ. The required funds were Rs. 159,971,161. The claimed / approved amount in Final Payment Certificate was within approved limit of variation order and revised cost.

The reply of the management was not satisfactory because the management did not address the audit observation i.e. initiation of Variation Order after TOC, payment beyond approved VO and non-issuance of performance certificate.

The PAO was requested to convene DAC meeting. However, the same was not convened till finalization of this report.

Audit recommends that the matter may be probed to fix responsibility against the person in light of the audit observation and outcome may be shared with audit.

1.4.17 Doubtful adjustment in the final bill – Rs. 14.954 million

As per clause 60.5 of contract agreement (FIDIC), not later than 84 days after the issue of the Taking-Over Certificate in respect of the whole of the works, the contractor shall submit to the Engineer six copies of Statement at Completion (SAC) with supporting documents showing in detail, in the form approved by the Engineer:

- (a) The final value of all work done in accordance with the contract up to the date stated in such Taking-Over Certificate”.
- (b) Any further sums which the Contractor considers to be due, and
- (c) An estimate of amounts which the Contractor considers will become due to him under the Contract.

Muzaffarabad City Development Project (MCDP) and M/s China International Water and Electric Corporation (CWE) into contract agreement on 16th April, 2012 for development project of Water Distribution Network Component-A at Muzaffarabad. Management made payment of Rs.14.954 million in the final bill on account of variation order. The details are as under:

(Amount in Rs.)

Sr. No.	Description	Previous amount shown in FPC	Amount of recovery / adjustment in final bill	Update amount of work done in final bill
		(a)	(b)	(a+b)
1	Work done	273,141,256	(7,181,524)	265,959732
2	Variation order	-	14,954,229	
Total		273,141,256	7,772,705	280,913,961

During audit of City Development Projects (CDPs) for the financial year 2023-24, it was observed as under:

1. Taking Over Certificate (TOC) of the project was issued on 21.09.2016, however, the Statement at Completion (SAC) of the project was not available in the record i.e. 16th IPC, due to which

the previous quantities claimed by the contractor could not be authenticated.

2. The Engineer (NesPak) submitted VO amounting to Rs. 11,326,259 on 07.02.2017 to project director and was approved by the Project Director on 29.2.2017. However, the Project Director issued the VO on 28.02.2016 which creates doubt on the authenticity of the VO.
3. Taking Over Certificate was issued on 21.09.2016 and Performance certificate was issued on 15.12.2017 and contractor submitted FPC on 04.12.2018 with the inclusion of variation order. The inclusion / claim of VO in the final bill without Statement at Completion was unjustified.
4. Final Payment Certificate (FPC) was submitted by the contractor and recovery/ adjustment was made in the FPC against work done. As no previous quantities was claimed on account of variation order. It seems that inclusion of variation order amount of Rs. 14,954,228 in the FPC to neutralize the effect of the amount was deducted/adjusted from the final bill on account of recovery.

Audit held that non availability of SAC and inclusion of variation order in the final payment was unjustified which resulting into overpayment to the contractor.

Initial audit observation was issued on 16.04.2024. It was replied that the amount allocated for the variation order within the FPC has already been verified in previous Interim Payment certificates as overall work done. These items have now been identified separately from the completed work and included in the head of variation order in the main summary. Moreover, SAC/ 16th IPC will be provided for further verification of the Audit Authorities. Furthermore, there is an inadvertent error in the date noted on the letter, where February 28, 2016, was mistakenly written instead of the correct date, February 28, 2017. This appears to be a typographical error and significant portion of the variation order has already been accounted for in previous Interim Payment Certificates (IPCs), as mentioned in point No. 1

The reply of the management was not satisfactory as no documentary evidence to justify their stance produced in support of reply.

The PAO was requested to convene DAC meeting. However, the same was not convened till finalization of this report.

Audit recommends that matter may be probed and responsibility be fixed on the person (s) at fault under intimation to audit.

(Para No. 24 of AIR 2020-24 CDPs, ERRA)

1.4.18 Non-Deposit of Rent into Government Treasury and Non-Auction of Federal Government Properties - Rs. 4.680 Million

According to Para 26 of ERRA Accounting Procedure states that the receipts if any generated by the Authority shall be the receipts of the Government and shall be deposited in the Government treasury on the same day, and if received after banking hours, on the next working day.

National Accountability Bureau (NAB) confiscated 17 properties from Mr. Ikram Naveed, Ex-Director (Finance) of Earthquake Reconstruction and Rehabilitation Authority (ERRA) and title of properties was transferred to ERRA. The officer during his posting in ERRA w.e.f 04.02.2009 to 15.03.2013 embezzled funds from ERRA Accounts through forged signatures. The accused officer was apprehended by NAB and was convicted by National Accountability Court on the allegations of misuse of authority, misappropriation of Government funds and acquired assets disproportionate to his own sources of income. The convicted officer entered into the plea bargain and surrendered 17 properties to NAB. Privatization Commission was authorized to dispose of the said properties and the sale proceeds would be deposited in the Government Account

During audit of ERRA HQ, it was observed that out of 17 properties, only 6 properties were sold out and the Ownership/Possession of 11 properties (9 apartments at Lahore and 2 Penthouses at Islamabad) is still with ERRA. Payment of Rs. 4.680 million on account of rent of Apartments was also received, till 2022, by ERRA and deposited into ERRA fund account instead of into government treasury. Furthermore, the 11 properties were not disposed of

by ERRA and detail of rent of remaining period was neither provided to audit nor deposited into government treasury. The detail of rent received from 2019 to 2022 is as under:

Sr. No	Detail of Property	Period of Rent	Rent Received
1	3 Shops at Lahore	Nov 2019 to Nov 2020	Rs 811,925
2	9 Flats at Lahore	Oct 2019 to Jan 2022	Rs 3,868,770
Total			Rs 4,680,695

Audit held that non auction of Federal Government properties and non-deposit of rent into treasury resulted into loss to Government.

The matter was pointed out to the management on 02.12.2024 but no reply was received.

The PAO was requested to convene DAC meeting. However, the same was not convened till finalization of this report.

Audit recommends that auction process of remaining 11 properties may be finalized at the earliest and complete detail of rent received may be worked out and deposited into government treasury.

(Para No. 02 of AIR 2023-24,ERRA, Dev & Non-Dev)

1.4.19 Non-deduction of Tajweed-ul-Quran Trust Cess – Rs. 1.674 million

According to Section 6(i) of the Azad Jammu and Kashmir Tajweed-ul-Quran Trust Act 2014, Tajweed-ul-Quran Cess shall be levied on the revenue recoverable in Azad Jammu and Kashmir for the Trust Fund at various rates determined by the Government. The Government shall have the authority to determine the rate of Tajweed-ul-Quran Trust (TQT) Cess. The government shall be able to change the rate from time to time depending on the situation.

City Development Projects (MCDP, BCDP & RCDP), ERRA deducted an amount of Rs. 837.083 million income tax from various contractors. The detail is as under:

Sr. No.	Location	Income Tax Deducted (Rs.)	Tajweed-ul-Quran Trust Cess Not Deducted (@ Rs.2/1,000) (Rs.)
1.	MCDP	516,379,904	1,032,759.81
2.	BCDP	237,141,759	474,283.52
3.	RCDP	83,560,954	167,121.91
Total		837,082,617	1,674,165.24

During audit of City Development Projects of ERRA it was observed that the amount account of TQT Cess @ Rs. 2.00 per thousand of Income Tax deducted amounting to Rs.1.674 million was not deducted and deposited into Government Treasury in accordance with provisions of Azad Jammu and Kashmir Tajweed-ul-Quran Trust Act 2014.

Audit held that non-deduction of TQT Cess was serious lapse on the part of management.

Initial audit observation was issued on 16.04.2024. It was replied that Tajweed-ul-Quran Cess, is a local Govt. Tax of AJK, as the funds were funded by the Federal Govt., therefore, the same does not apply to Foreign/ Federal Govt. funding.

The reply was not tenable as the payments were made in the territory of AJK so their regulations are applicable same as the case of Income Tax and GST.

The PAO was requested to convene DAC meeting. However, the same was not convened till finalization of this report.

Audit recommends that TQT Cess may be deducted under the Act and deposited into government treasury under intimation to audit.

Note: The issue was also reported earlier in the Audit Report for the Audit Year 2016-17 vide Para No.2.4.27 having financial impact of Rs.13.920 million (Ed.Cess Rs. 5.437 million + TQT Rs. 8.483 million).Recurrence of same irregularity is a matter of serious concern.

(Para No. 42 of AIR 2020-24 CDPs, ERRA)

1.4.20 Non-disclosure of valuation of confiscated properties and rental incomes

According to Para 1.3.25 of International Public Sector Accounting Standard (IPSAS) for financial reporting under cash basis of accounting, The notes to the financial statements of an entity shall present information about the basis of preparation of the financial statements and the specific accounting policies selected and applied for significant transactions and other events; and provide additional information which is not presented on the face of the financial statements but is necessary for a fair presentation of the entity's cash receipts, cash payments and cash balances.

Furthermore, according to Para 1.3.27 of Standards, financial statements shall present information that is understandable, relevant to the decision-making and accountability needs of users and a faithful representation of the cash receipts, cash payments and cash balances of the entity and the other information disclosed in the financial statements.

Earthquake Reconstruction and Rehabilitation Authority (ERRA) prepared Annual Financial Statements (AFS) for the Financial Year 2023-24. It was mentioned in note 14.7 of the AFS that 17 properties were confiscated through NAB from Mr. Ikram Naveed ex-Director Finance ERRA and were handed over to ERRA during August to December, 2019. The case was taken up with Privatization Commission to dispose of these properties as per rules / procedures. Out of 17 properties 6 properties were disposed off and process of disposal of remaining 11 properties are under process. These properties situated in Lahore and Islamabad were surrendered by Mr. Ikram Naveed to ERRA through NAB.

During certification audit of ERRA for the FY 2023-24, it has been observed as under:

- i. The detail of 17 confiscated properties along with their exact description, nature, location and valuation was neither disclosed on the face of the AFS nor in notes to the accounts.

- ii. Detail of 6 disposed of properties i.e. description, disposal process, independent market valuation, receipts generated and deposit etc. was not disclosed
- iii. Detail of 11 remaining properties and reason of non-disposal was not disclosed.
- iv. Detail of revenue generation from these properties and its disposal and deposit was not disclosed

Audit held that non-disclosure of complete information about the properties resulted in unfair presentation and audit was uncertain about properties value and revenue generation from these properties.

The initial audit observation was issued on 04.12.2024 to the management, but no response was received.

The PAO was requested to convene DAC meeting. However, the same was not convened till finalization of this report.

Audit recommends that a true and fair information may be disclosed in AFS as well as books of accounts under intimation to audit.

(Para No.15 of ERRR Certification Audit Report F.Y. 2023-24)

HR Management/ Organizational Management

1.4.21 Irregular payment due to execution of items not available in BOQ -Rs. 13.080 million

According to clause 51.1 of FIDIC General Conditions of Contract, The Engineer shall make any variation of the form, quality or quantity of the Works or any part thereof that may, in his opinion, be necessary and for that purpose, or if for any other reason it shall, in his opinion, be appropriate, he shall have the authority to instruct the Contractor to do. Furthermore, according to clause 55.1 of the same, the quantities set out in the Bill of Quantities are the estimated quantities for the Works. Moreover, according to clause 56.1 of the same, The Engineer, shall except as otherwise stated, ascertain and determine by measurement the value of the Works in accordance with the Contract.

Rawalakot City development Project (RCDP) awarded a contract to M/s CXB for “Construction of Chinar Rest House to Eidgah Road, Rawalakot” for Rs. 252.727 million and made payment of Rs. 16.698 million on account of Drainage System work to the contractor.

During audit of City Development Projects (CDPs) of ERRA for the financial years 2020-23, it was observed from final payment certificate of the “Construction of Chinar Rest House to Eidgah Road, Rawalakot” that there was no provision against the drainage system work (CSR Reference No 1-5, 19-30, 5-12(i), 5-48(b), NSI), in the BOQ. However, the payment amounting to Rs. 13.080 million was made to the contractor against the work without approval of the competent authority. Details are as under:

Sr. No.	Sr. No. as per FPC	CSR Reference	Description	Amount (Rs.)
1	47 a	1-5	Carriage of materials unsuitable/ surplus reach from excavation of road, old bitumen carpet and structures.	368,494
2	48 a	19 – 30	Providing and laying stone pitching with hammer dressed stones on surface laid in courses.	162,299
3	51	5 - 12 (i)	Providing and laying in situ cement concrete using Lawrencepur sand and Margalla crushed aggregate having maximum size up to 1-1/2.	102,312
4	51	5 - 48 (b)	Providing and lying plum concrete using Lawrencepur sand and Margalla crushed aggregate 1-1/2.	11,938,919
5	55	NSI	Providing 4 dia PVC pipe made of locally available quality or as per approved by the engineer.	508,375
Total				13,080,399

Audit held that payment to the contractor against non-BOQ items stands irregular.

Initial audit observation was issued on 01.04.2024. It was replied that rates of all mentioned items were available in the BOQ of the project in different

Bills. As the rates were available in the BOQ therefore the same was used for payment in the Bill No. 6 for drainage system.

The reply was not satisfactory as at the time of preparation of initial drawing and BOQ, these items (CSR Reference No 1-5, 19-30, 5-12(i), 5-48(b), NSI), were not included in drainage system work.

The PAO was requested to convene DAC meeting. However, the same was not convened till finalization of this report.

Audit recommends that irregular payment may be probed to ascertain the factual position.

(Para No. 03 of AIR 2020-24 CDPs, ERR)

HR Management/ Organizational Management

1.4.22 Non-implementation court orders regarding approval of PC-I – Rs. 16 billion

According to the order of Supreme Court of Pakistan dated 7th Jan 2019, ERR shall present and get approval of revised PC-I worth Rs. 16 billion within 30 days and ensure no further cost overruns. The project shall be completed in 30 months by ERR and Chief Secretary –KP shall ensure all possible support of various Departments of Provincial Govt. to make the project successful. Ministry of Finance was directed by Apex Court to release Rs. 1 billion immediately to ERR for NBC and remaining cost to be included in future budget allocation.

New Balakot City Development Project (NBCDP) was launched on 18th May 2007 and the work for construction of NBCDP was awarded to M/S Mumtaz Construction company at a cost Rs. 2,432.614 million. Contract agreement was signed on 25th June 2007 and completion time of the project was 3 years. The development work was carried out in bits and pieces due to disputed land. In accordance with directions of Supreme Court of Pakistan, revised PC-I of Rs. 16 billion was presented in ECNEC meeting held on 27.06.2023. ECNEC directed ERR to re-examine the technical and financial issues of the project in a holistic manner in consultation with Government of

KP and address the same before submission of the project to the ECNEC for its consideration.

During audit NBCDP for the financial year 2023-24, it was observed that despite the order of the honourable Supreme Court of Pakistan and ECNEC decision, the department was failed to revise the PC-I and development work/project was stopped since 2014 and could not be started till date of audit i.e. March 2024.

Audit held that non-revision of PC-I and non-execution of work despite court order was serious lapse on the part of the management and resulted into contempt of the court.

Initial audit observation was issued on 01.04.2024. The management replied that various steps regarding release of funds and revision of PC-I were taken with quarter concerned. Neither the funds were released by the Finance Division nor the ECNEC granted the approval of revised PC-I and turn down with the direction to re-examine the technical and financial issues of the project.

The PAO was requested to convene DAC meeting. However, the same was not convened till finalization of this report.

Audit recommends that matter may be expedited by all the stakeholders and got the approval of ECNEC to avoid further delay and cost overrun.

(Para No. 16 of AIR 2020-24 CDPs, ERRRA)

1.4.23 Irregular execution of the projects without approval of the PC-Is - Rs. 8,956.384 million

According to letter No.5-3/ 2008 (RCDDP) / ERRRA / 144 dated 13.03.2010 regarding sequential steps involved in approval of individual PC-Is under AJK-Urban Development Program, CDWP directed that for each sub-project, separate detail design with itemized cost and PC-I would be submitted for approval from competent forum before its implementation on the ground.

ERRRA established PMUs of City Development Projects for execution of Transport, Governance, Watson and Education sectors projects under

MCDP, BCDP and RCDP in Muzaffarabad, Bagh and Rawalakot districts, respectively.

During audit of City Development Projects (CDPs) of ERRA for the financial years 2020-23, it was observed that the approval of 31 number of PC-Is of RCDP, MCDP and BCDP, costing Rs. 8,956.384, was pending from the competent forum. Details are as under:

S#	District	No. of Projects	PC-I Cost to be approved (Rs. in million)
1	Bagh	14	5,037.569
2	Muzaffarabad	8	2,154.967
3	Rawalakot	9	1,763.848
	Total	31	8,956.384

Audit held that non-approval of the PC-Is from the concerned competent forums resulted into irregular execution of the projects costing Rs.8,956.384 million.

Initial audit observation was issued on 01.04.2024. It was replied that the approval of 31 PC-Is of BCDP, MCDP and RCDP, costing Rs.8,956.384 million was initiated and same were still pending for approval at various levels from the competent forums. The copies of all PC-Is along with approvals will be shared with the audit authority when the process is completed.

The PAO was requested to convene DAC meeting. However, the same was not convened till finalization of this report.

Audit recommends that responsibility may be fixed and action be taken against the person(s) held responsible for execution of projects without approval of the competent forum.

(Para No. 01 of AIR 2020-24 CDPs, ERRA)

1.4.24 Non-retrieval of assets from NESPAK - Rs. 61.625 million

According to General Financial Rule 10 (i) “Every public officer is expected to exercise the same vigilance in respect of expenditure incurred from public moneys as a person of ordinary prudence would exercise in respect of expenditure of his own money”.

Earthquake Reconstruction and Rehabilitation Authority (ERRA) awarded a general consultancy contract to M/S NESPAK on 26th April, 2006 at a total cost of Rs. 508.695 million. Earthquake Reconstruction and Rehabilitation Authority (ERRA) was required to retrieve the assets held with NESPAK.

During audit of ERRA HQ for the financial year 2023-24, it was observed that Assets procured through ERRA fund were not retrieved from NESPAK despite lapse of considerable time. Different type of costly assets like furniture, vehicles, office equipment’s and IT equipment’s were procured from ERRA fund. The detail of assets is at **Annexure-IX**.

Audit held that non retrieval of assets from NESPAK resulted into risk of misplacement and loss of the costly assets.

The matter was pointed out to the management on 02.12.2024 but no reply was received.

The PAO was requested to convene DAC meeting. However, the same was not convened till finalization of this report.

Audit recommends that all ERRA assets, amounting to Rs. 61.625 million, needed to be retrieved at the earliest before any loss of Government money. The complete detail of Assets handed over to NESPAK during consultancy period may be ascertained and reconciliation may be made at the earliest.

(Para No.1 of AIR 202324, ERRA, Dev and Non-Dev)

1.4.25 Non-conducting of final verification of defects pointed out in punch list under water distribution network component-B Muzaffarabad - Rs.49.151 million

According to taking over certificate dated 21.09.2016, the engineer certifies that M/s CWC has substantially completed the work expect pointed out in the punch list.

Muzaffarabad City Development Project (MCDP) made payment of Rs. 49.151 million to the contractor M/s CWC in final bill of Water Distribution Network Component -B Muzaffarabad. The management issued performance certificate to the contractor on 15.12.2017 after expiry of defect liability period i.e. 14.07.2017.

During audit of City Development Project (CDP) for the financial year 2023-24, it was observed that final verification report of punch list was not prepared in collaboration with concerned department to justify that the contractor had completed the work in accordance with punch list. Detail of punch list is at annexure-X.

Audit held that non conduct of final verification of punch list and issuance of performance certificate was unjustified and stands irregular.

Initial audit observation was issued on 01.04.2024. It was replied that performance certificate was issued after completion of all outstanding works and rectification all defective works with due approval of the Employer as per contract.

The reply of the management was not satisfactory as no documentary evidence was provided in support of reply.

The PAO was requested to convene DAC meeting. However, the same was not convened till finalization of this report.

Audit recommends that final verification report of punch list may be provided to audit for verification.

(Para No. 19 of AIR 2020-24 CDPs, ERR)

1.4.26 Un-authorized payment of executive allowance – Rs. 33.285 million

According to Finance Division Office Memorandum No. 10(02)R-3/2018-297 dated 17.02.2023, Executive Allowance was admissible to all BPS-17-22 officers (excluding Private Secretaries), posted/working in the Federal Secretariat as defined in the Rules of Business 1973, as well as Prime Minister's office and President secretariat.

Furthermore, according to Finance Division Office Memorandum No. F.4 (3) R-4/2011-Revision dated 31.10.2022 that no Division shall without previous consultation with the Finance Division, authorize the issue of any orders which will involve a change in the terms and conditions of service of Government servants, on their statutory rights and privileges, which have financial implications.

Earthquake Reconstruction & Rehabilitation Authority (ERRA) was established as a part of the Prime Minister Secretariat vide Prime Minister Secretariat Notification dated 24-10-2005 which states that the Headquarter of the Authority shall be at the Prime Minister's Secretariat, Islamabad of which it will be a part. Section 3 (3) of ERRA Act 2011 and Cabinet Division letter no 4-13/2005- Min-1 dated 29.04.2014 also states that for the purpose of coordination the Authority will be administratively attached with the Prime Minister Secretariat.

During the audit of ERRA for the financial year 2023-24, it was observed that ERRA incurred an expenditure amounting to Rs.33.285 million on payment of executive allowance & its arrears without consent of Finance Division. The details are at annexure-XI.

Audit held that payment of executive allowance along with Prime Minister Secretariat Allowance and other allowances of cadre posts to the employees of ERRA was un-authorized.

The matter was pointed out to the management on 02.12.2024 but no reply was received.

The PAO was requested to convene DAC meeting. However, the same was not convened till finalization of this report.

Audit recommends that unauthorized payment of executive allowance, and arrears, may be recovered and clarification on the matter may also be sought from Finance Division under intimation to audit.

(Para No.3 of AIR 2023-24, ERRRA, Dev and Non-Dev)

1.4.27 Closure of projects without preparation & submission of PC-IV and PC-V – Rs. 492.732 million

Para 3.33 of Planning Commission's Guidelines for Project Management, 2008 provides that the final stage of the project is its completion. The project is considered to be completed/closed when all the funds have been utilized and objectives achieved, or abandoned due to various reasons. At this stage the project has to be closed formally, and reports to be prepared on its overall level of success, on a proforma PC-IV and forwarded to the Projects Wing of Planning Commission. Para 3.34 further provides that project closure involves handing over the deliverables to the concerned authorities, closing of suppliers' contracts, closure of bank account, releasing security money, staff and equipment and informing stakeholders of the closure of the project. However, the closure of the project may not be delayed on account of security money.

Para 1.21(iv) of Manual of PSDP Projects states that "the project closure brings project execution to a formal conclusion, informing all stakeholders about the completion of the project, and winding up technical, operational, and administrative actions. PC-IV form is required to be submitted at the time of project closure or the termination of the physical implementation of the project. At the stage of project closure, PC-IV is submitted".

Rule 10 of GFR Vol 1 states that "every public officer is expected to exercise the same vigilance in respect of expenditure incurred from public moneys as a person of ordinary prudence would exercise in respect of expenditure of his own money".

Earthquake Reconstruction and Rehabilitation Authority (ERRA) shall be responsible for all reconstruction, rehabilitation and early recovery programs and projects in the affected areas. In this context the ERRRA initiated different

projects. The undermentioned projects were required to be completed by June, 2024. The detail of PC-I's are as follows:

(Rs. in million)

Sr. No.	Name of PC-I	Amount	Extension Period
1	SERRA & DRU Capacity Building Component	58.890	July-Dec/2023
2	SERRA & DRU Capacity Building Component	89.123	Jan-June/2024
3	PERRA Capacity Building Component	52.061	July-Dec/2023
4	PERRA Capacity Building Component	69.963	Jan-June/2024
5	ERRA HQ Capacity Building Component	76.000	Jan-June/2024
6	R & R Capacity Building Component	42.590	July-Dec/2023
7	R & R Capacity Building Component	80.000	Jan-June/2024
	Total	492.732	--

During audit of ERRA for the financial year 2023-24, it was observed that:

- i. Closure of project without preparation & submission of PC-IV was against the Government instructions.
- ii. Proper stock/inventory of the durable goods/equipment was not maintained.
- iii. The aims and objectives of the project to enhance the capacity building were not achieved.
- iv. All these projects were extended by splitting and with the approval of Deputy Chairman ERRA instead of approval from competent forum.

Audit held that non-finalization of accounts and non-preparation of PC-IV and PC-V of completed works/projects occurred due to weak internal controls and poor asset management.

The matter was pointed out to the management on 02.12.2024 but no reply was received.

The PAO was requested to convene DAC meeting. However, the same was not convened till finalization of this report.

Audit recommends that the matter may be investigated to probe the fact. Furthermore, complete record i.e., detail of material, handing taking over and whereabouts of temporary facilities, material at site and engineers facilities, if any, may be produced to audit for verification.

(Para No.21 of AIR 2023-24, ERRA, Dev and Non-Dev)

Mitigation (Legal frame work, Governance and Impact

1.4.28 Non-execution of environmental mitigation & safeguards - Rs. 6.770 million

According to Planning Commission guidelines for Project Management 2008, PC-I Form and Instructions to Fill in PC-I Proforma (Infrastructure Sector) Projects were required to be assessed with regard to Environmental impact assessment negative / positive.

Furthermore, according to Umbrella PC-I of Urban Development Program ERRA, in master plan due care was practiced to preserve vegetation cover, as new areas of forest allocation was marked, proper mechanism and design of disposal of all types of waste which would help to avoid environmental degradation.

City Development Projects (CDPs) of ERRA prepared and approved various projects and funds amounting to Rs. 6.770 million were allocated on account of environmental mitigation & safeguards @ 0.5% of the project cost. The funds were allocated on the recommendation of environment study carried out by Environment Cell. Details are as under:

Sr. No	Name of Project	Amount (Rs.)
1	Chinar Rest House to industrial estate Eid Gah Rawalakot	1,364,855
2	Sewerage and sewage treatment at Rawalakot City	1,359,933
3	Construction of United Hospital to BHQ Road, Rawalakot	1,030,071
4	Laying of water Distribution network Rawalkot	3,015,639
Total		6,770,498

During audit of CDPs of ERRA, it was observed that funds amounting to Rs. 6.770 million allocated for environmental mitigation & safeguards were not utilized.

Audit held that non-execution of development work for environmental mitigation & safeguards was violation of Planning Commission guidelines and umbrella PC-I of ERRA which may result into non adherence to environmental mitigation & safeguards aspects and environmental degradation.

Initial audit observation was issued on 16.04.2024. It was replied that all the mega projects were dealt/ completed under Urban Development Strategy of ERRA which possess/ do care environmental mitigation & safeguards. ERRA exercised this power with due diligence whenever/ wherever is required.

The reply was not tenable because there was a provision for environmental mitigation & safeguards which was required under this project. The same was not executed.

The PAO was requested to convene DAC meeting. However, the same was not convened till finalization of this report.

Audit recommends that responsibility may be fixed for non-adherence to environmental mitigation standards & safeguards.

(Para No. 43 of AIR 2020-24 CDPs, ERRA)

Chapter 2

National Disaster Management Authority (NDMA)

2.1 Introduction

A. National Disaster Management Authority (NDMA) was established under the National Disaster Management Act, 2010. The Authority functions under the supervision of National Disaster Management Commission (NDMC) which is headed by the Prime Minister of Pakistan. NDMA manages the whole Disaster Management Cycle (DMC) which includes Preparedness, Mitigation, Risk Reduction, Relief and Rehabilitation.

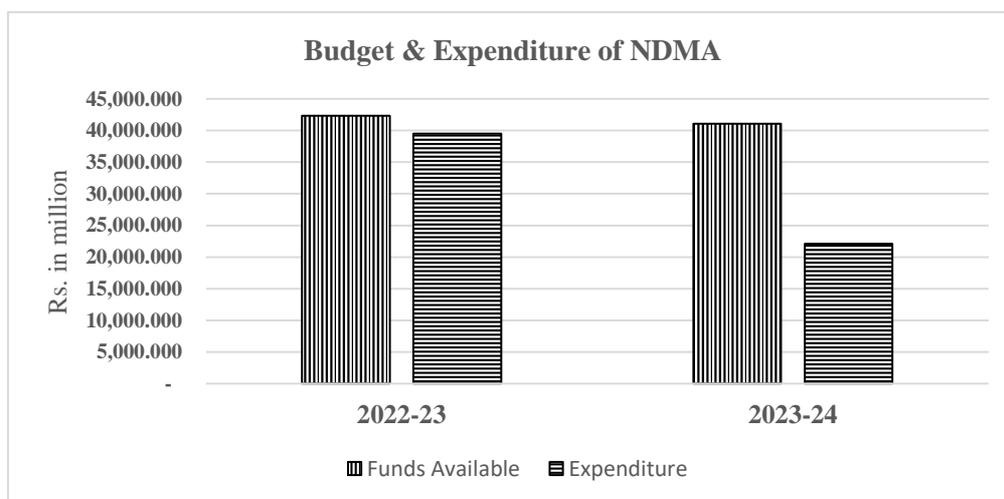
B. Comments on Financial Expenditure of audited formations

(Rs. in million)

Financial Year	Funds available	Expenditure	Balance available at 30.06.2024
2022-23	42,347.419	39,498.689	2,848.730
2023-24	41,088.221	22,099.424	18,639.79

Source: budget and expenditure statements

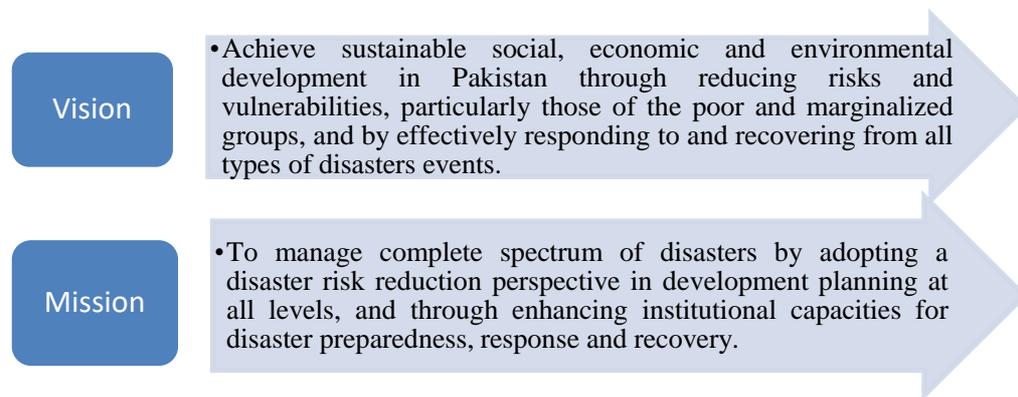
The graphical representation of budget and expenditure of NDMA is as under:



The major reason for decrease in budget and expenditure of NDMA in financial year 2023-24 was due to reason that in previous financial year major expenditure was incurred on relief measures for flood affectees of Pakistan.

C. Sectoral Analysis

The NDMA aims to develop sustainable operational capacity to undertake disaster related activities by the relevant agencies. The vision and mission statement of NDMA defines its core objectives as under:



NDMA act as Secretariat of National Disaster Management Commission to facilitate implementation of Disaster related strategies. The main objectives of NDMA are as under:

- Map all the hazards in the Country and conduct risk analysis on a regular basis.
- Develop guidelines and standards for national and provincial stakeholders regarding their role in Disaster Risk Management.
- Ensure establishment of DM authorities and Emergency Operations Centers at provincial, district and municipal levels in hazards-prone areas.
- Provide technical assistance to federal ministries, departments and provincial DM authorities for disaster risk management initiatives.

- Organize training and awareness raising activities for capacity development of stakeholders, particularly in hazard-prone areas.
- Collect, analyze process, and disseminate inter-sectoral information required in an all hazards management approach.
- Ensure appropriate regulations are framed to develop disaster response volunteer teams.
- Create requisite environment for participation of media in DRM activities.
- Serve as the lead agency for NGOs to ensure their performance matches accepted international standards e.g., the SPHERE standards.
- Serve as the lead agency for international cooperation in disaster risk management. This will particularly include information sharing, early warning, surveillance, joint training and common standards and protocols required for regional and international cooperation.
- Coordinate emergency response of federal government in the event of a national level disaster through the National Emergency Operations Center (NEOC)

Disaster / Emergency situations handled by NDMA are as under:

- Earthquake on 31 January 2018 (20km East of Bela, Balochistan & Hindukush Region)
- Shimshal Valley likely GLOF Situation.
- Margalla Hills Fires – March & May 2018.
- Kotli Sattian Forest Fire – May 2018.
- Islamabad Sunday Market Fire incidents in July 2018.
- Heat wave in Sindh – May 2018
- Monsoon Season – 2018.
- Covid-19
- Locust Combat Operation

In addition to above, NDMA has started to circulate and upload on its official website for general public, the alerts / updates issued by Pakistan Meteorological Department to all stakeholders in the country. In addition, the Daily Situation Report (DSR) is also circulated to stakeholders summarizing the cumulative disaster relief activities, water level in Dams/ reservoirs and rivers flow situation report by Flood Forecasting Division. Furthermore, the Annual Report indicating the progress of NDMA was regularly being prepared and published on the NDMA's website.

On the other side, the National Disaster Management Commission (NDMC) which is the strategic body to oversee the affairs of NDMA had a total of four (04) meetings since inception and no meeting was held after 28.03.2018. Moreover, the internal audit wing is not established in NDMA resulting in non-generation of internal audit reports and periodic review of internal controls within the organization. The physical verification of stores and stock also needs to be carried out on periodical basis, as the Authority is maintaining warehouses containing huge quantities of relief related items including medical equipment, PCR kits, food items and non-food items etc.

Table-I Audit Profile of National Disaster Management Authority (NDMA)

(Rs. in million)

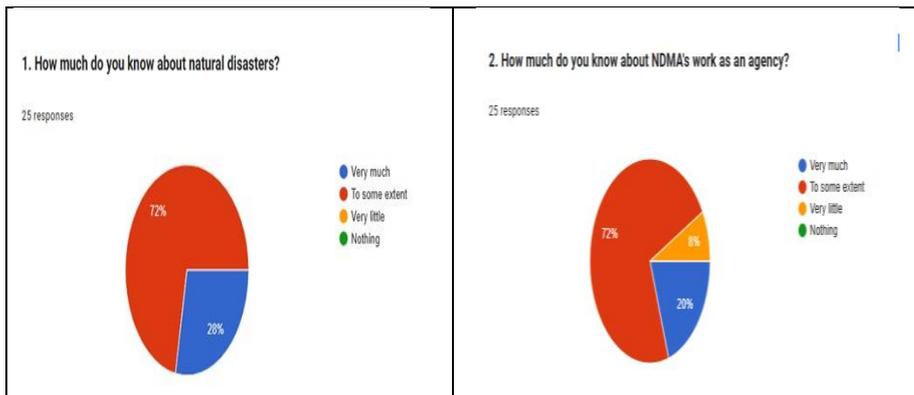
Sr. No.	Description	Total Nos.	Audited	Expenditure audited FY 2023-24	Revenue / Receipts audit FY 2023-24
1.	Formations	01	01	22,099.424	Nil
2.	<ul style="list-style-type: none"> • Assignment Account • NDMA Fund A/c • NDMF-DRR 	01 Nil 01	01 Nil 01	422.32 21,494 182.924	Nil/ Nil Nil
3.	Authorities / Autonomous Bodies etc. under the PAO	Nil	Nil	Nil	Nil
4.	Foreign Aided Project (FAP)	1	01	0*	Nil

*No expenditure was incurred and unutilized funds were transferred to the donor.

D. Survey Analysis

Directorate General Audit (Climate Change and Environment) conducted audit of NDMA Islamabad. A public questionnaire was used to gather opinions on their effectiveness. The summarized results and conclusions are presented below.

- **Awareness Levels:** A significant portion of participants has limited or to some extent, about natural disasters (72% combined). Awareness of NDMA as an agency is also limited (72% have to some extent knowledge).



- **Preparedness:** Overall 76% disagree or are neutral when asked either NDMA prepares communities for potential disaster or not. Only 36% agreed.

10. Do you feel that NDMA adequately prepares communities for potential disasters?

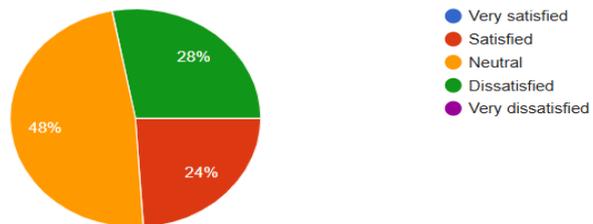
25 responses



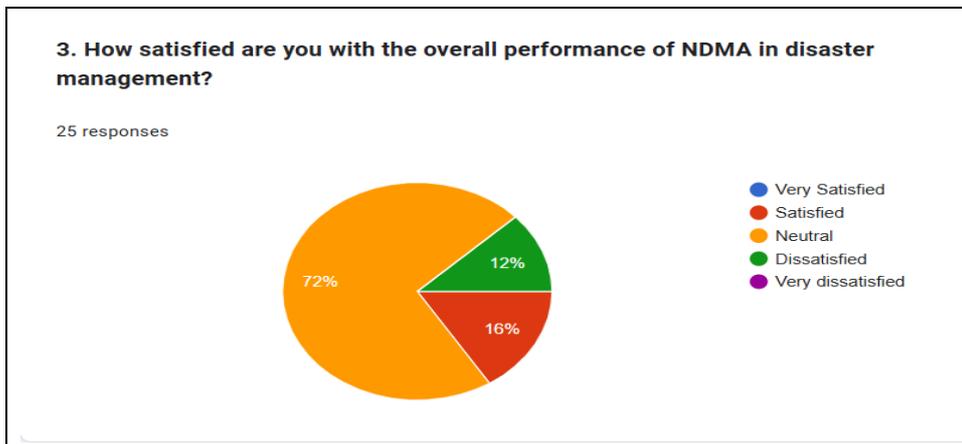
- **Relief efforts:** A majority (76%) were dissatisfied or neutral regarding the speed of relief efforts by NDMA. Only 24% were satisfied.

9. How satisfied are you with the speed of relief efforts by NDMA?

25 responses



- **Overall Performance Ratings:** Satisfaction is low, with 84% dissatisfied or Neutral. Only 16% rated it as satisfied.



Conclusion:

This analysis indicates that there is significant public dissatisfaction with the performance of the NDMA particularly in terms of awareness campaigns, preparedness and relief efforts. These insights can be further detailed and shared in a report or public forum to highlight areas of improvement for the NDMA.

2.2 Classified Summary of Audit Observations

Audit observations amounting to Rs. 28,620.095 million have been raised in this report pertaining to NDMA. Recovery amounting to Rs. 2,657.83 million has been pointed out in the observations. Summary of the audit observations classified by nature is as under:

Table –II Overview of Audit Observations**(Rs. in million)**

Sr. No.	Classification	Amount
1.	Internal controls	21,891.457
i.	Financial Management	6,003.916
ii.	Procurement management	15,747.932
iii.	HR management	139.609
2.	Public Service Delivery / Performance	6,728.638
A	Disaster Risk management (Response, Rescue, Recovery and Rehabilitation)	6,728.638
B	Climate Change and Environment Management	-
i.	Mitigation (Legal frame work, Governance & Impact)	-
ii.	Adaptation (Legal frame work, Governance & Impact)	-

2.3 Brief comments on the status of compliance with PAC directives

The Directorate General Audit (CC&E) started auditing and reporting of NDMA since 2015-16. PAC meeting on Audit Reports for the audit year 2016-17, 2017-18, 2020-21 (Covid) & 2021-22 were held on year 2021 and 2023, wherein forty (40) Audit Paras were discussed. Current status of compliance with PAC directives for report discussed so far is given below:

S. No.	Audit Report	PAC Held On	No. of Paras in PAC			Paras Implemented		
			Discussed	Settled	Directive Issued	Fully	Partially	Not
1	2017-18	22-Nov-21	10	9	1	0	1	0
2	2016-17	22-Nov-21	10	9	1	0	0	1
3	2020-21 (Covid)	22-Dec-21	6	5	1	0	1	0
4	2021-22	12-Apr-23	14	5	9	0	1	8
	Totals		40	28	12	0	3	9

The NDMA is required to implement the PAC directives pertaining to Audit Report of 2016-17 and 2021-22.

2.4 AUDIT PARAS

Financial Management

2.4.1 Un-authorized expenditure out of National Disaster Management Fund

According to Section-8(1) of the National Disaster Management Act 2010, the Federal Government shall establish an Authority to be known as National Disaster Management Authority and Federal Government under this Act defined as Ministry or Division of the Federal Government having administrative control of the disaster management.

Furthermore, according to Para 16 of Accounting Procedure for operation of National Disaster Management Fund, National Authority shall be competent to sanction expenditure within the provision of NDMA Act, 2010.

National Disaster Management Authority, Islamabad incurred an expenditure of Rs. 21.677 billion out of National Disaster Management Fund Account on procurement of relief items, civil work of National Emergency Operation Center building, project employee salaries and civil work on the Karachi Transformation Plan (KTP) that include reconstruction and revamping of Major Nullahs of Karachi City during the financial year 2023-24.

During audit of NDMA for the financial year 2023-24, it was observed that an amount of Rs. 21.677 billion was expended by NDMA. However, NDMA instead of taking case for constitution and notifying National Authority in accordance with Act, declared a National Authority comprising Chairman and 3 members of NDMA through office order dated 12.06.2012 with reference to finance division letter dated 20.03.2007. The finance division letter pertained to NDMA budget for the financial year 2006-07 and 2007-08 along with creation of one hundred and eleven (111) posts, hence, cannot be termed to be a Federal Government notification for constitution of National Authority.

Audit held that expenditure out of National Disaster Management Fund Account without approved and notified National Authority by the Federal Government stand un-authorized.

Initial audit observation was issued to the management on 06.11.2024. The management replied that the National Disaster Management Authority (NDMA) was initially established under NDMA Ordinance 2007 which was further promulgated in NDM Act 2010. After obtaining approval for creation of 111 posts for NDMA in First meeting of National Disaster Management Commission (NDMC), the same was approved by Finance Division vide letter dated 20.03.2007 wherein it is clearly mentioned about the budgets for the FY 2006-07 and 2007-08 along with allocation of 111 posts including 1 Chairman and 3 Members

The management reply was not tenable as the National Authority of NDMA was not notified by the Federal Government in accordance with NDMA Act 2010.

The PAO was requested to convene DAC meeting. However, the same was not convened till finalization of this report.

Audit recommends that incurred expenditure out of NDMA Fund Account may be got regularized from competent forum besides constitution and notification of National Authority in Accordance with NDMA Act, 2010.

(Para No. 33 of NDMA F.Y 2023-24)

2.4.2 Overpayment on account of escalation to M/s NLC for Orangi Nullah – Rs. 2.437 billion

According to Minutes of the Central Development Working Party meeting issued on 15.03.2021, the escalation as per Planning Commission guidelines is not allowed in the 1st year of execution. It is allowed @ 6.5% of the construction cost for 2nd year and 13% for the 3rd year. So cost of the project be amended accordingly.

National Disaster Management Authority, Islamabad made payment of Rs. 11.023 billion to M/s National Logistic Cell (NLC) up to final bill No. 18 dated 11.05.2024 as per provided record and after deduction engineer facility, secure advance etc. the work done for payment of escalation come to [Rs. 10.308 billion.

During audit of NDMA for the financial year 2023-24, it was observed that an amount of Rs. 3.267 billion was paid through EPC-1 to EPC-12 to M/s NLC on account of escalation for Orangi Nullah work thus leading to overpayment of Rs. 2.437 billion being in-admissible because as per rules escalation of Rs. 830.419 million was admissible. Detail of IPCs is at annexure-XII.

Audit held that due to non-adherence to codal formalities an overpayment of Rs. 2.437 billion on account of escalation was made thus leading to undue favour to contractor.

Initial audit observation was issued to the management on 20.11.2024. However, no reply was provided by the management till finalization of Audit Report.

The PAO was requested to convene DAC meeting. However, the same was not convened till finalization of this report.

Audit recommends that recovery of overpaid amount of Rs. 2.437 billion may be made from M/s NLC and deposited into public exchequer under intimation to audit.

(Para No. 54 of NDMA F.Y 2023-24)

2.4.3 Overpayment on account of escalation to M/s FWO for Gujjar Nullah – Rs. 1.839 billion

According to Minutes of the Central Development Working Party meeting issued on 15.03.2021, the escalation as per Planning Commission guidelines is not allowed in the 1st year of execution. It is allowed @ 6.5% of the construction cost for 2nd year and 13% for the 3rd year. So cost of the project be amended accordingly.

National Disaster Management Authority, Islamabad made payment of Rs. 10.007 billion to M/s Frontier Works Organization (FWO) up to IPC-15 dated 11.06.2024 as per provided record and after deduction engineer facility, secure advance etc. the work done for payment of escalation come to Rs. 9.51 billion.

During audit of NDMA for the financial year 2023-24, it was observed that an amount of Rs. 2.476 billion was paid through EPC-1 to EPC-08 to M/s FWO on account of escalation for Gujjar Nullah work thus leading to overpayment of Rs. 1.839 billion being inadmissible because as per rules escalation of Rs. 636. 775 million was admissible. Detail of IPCs is as under:

(Rs. in million)

Sr. No	IPC No.	Date of IPC	Construction cost	Years	Escalation 1 st year Nil, 2 nd year 6.5% & 3 rd year 13%
1.	1	13.08.2021	2,302.129	1 st	Not allowed
2.	2	12.10.2021			
3.	3	10.01.2022			
4.	4	25.02.2022			
5.	5	14.04.2022	4,620.88	2 nd	300.357
6.	6	29.05.2022			
7.	7	24.06.2022			
8.	8	12.09.2022			
9.	9	28.11.2022			
10.	10	05.01.2023			
11.	11	27.02.2023			
12.	12	03.04.2023	2,587.83	3 rd	336.418
13.	13	12.06.2023			
14.	14	31.07.2023			
15.	15	11.06.2024			
Total					636.775

Audit held that due to non-adherence to codal formalities an overpayment of Rs. 1.839 billion on account of escalation was made thus leading to undue favour to contractor.

Initial audit observation was issued to the management on 20.11.2024. However, no reply was provided by the management till finalization of Audit Report.

The PAO was requested to convene DAC meeting. However, the same was not convened till finalization of this report.

Audit recommends that recovery of overpaid amount of Rs. 1.839 billion may be made from M/s NLC and deposited into public exchequer under intimation to audit.

(Para No. 55 of NDMA F.Y 2023-24)

2.4.4 Non-transparent invoices of the suppliers with regard to sales tax Rs. 735.751 million

According to Section 23 of the Sales Tax Act, 1990, a registered person making a taxable supply shall issue a serially numbered tax invoice at the time of supply of goods containing particulars such as registration number, date of invoice etc.

National Disaster Management Authority, Islamabad paid Rs. 4,811.399 million to different suppliers in the financial year 2022-23.

During audit of NDMA for the financial year 2023-24, it was observed that tents were procured from different suppliers and payment were made on March-April 2023 for Rs. 4,811.399 million, however, 100% GST of Rs. 735.751 million was withheld on the pretext that exemption would be claimed from FBR. However, FBR did not agree with the proposal so 1/5th GST of Rs. 147.150 million was deducted and 4/5th GST amounting to Rs. 588.60 million was released to suppliers on August 2023. Furthermore, while processing the payment the formalities were not observed thus undue favour to the suppliers. Moreover, 1/5th GST of Rs. 147.150 million was not deposited into National Exchequer resulted to non-reconciliation and assurance with regard to deposit of 692.84 million released to suppliers. Details are at annexure-XIII.

Audit held that formalities with regard to GST invoices, 1/5th GST deposit by NDMA were not observed resulted to violation of rules thus show lack of internal controls.

Initial audit observation was issued to the management on 06.11.2024. The management replied that the 1/5th of GST deducted and deposited. It is further added that there is no standard invoice format circulated by the FBR and followed by the every firm/company.

The management reply was not tenable as the CPRs attached with the reply do not pertain to suppliers mentioned in audit observation and CPRs related to para 40 were attached for this para which was not relevant. Moreover, the reply of the observation raised by audit in the remarks column of the table was not submitted.

The PAO was requested to convene DAC meeting. However, the same was not convened till finalization of this report.

Audit recommends that matter regarding deposit of 4/5th GST of Rs. 588.60 million released to suppliers may be taken with FBR, 1/5th GST of Rs. 147.15 deposit into National Exchequer besides providing justification for non-adherence to formalities while processing payment claims and verification of record from audit.

(Para No. 39 of NDMA F.Y 2023-24)

2.4.5 Non-deduction of Sindh Sales Tax on Services from contractors - Rs. 414.028 million

According to Section 8 of Sindh Sales Tax on Services Act, 2011, there shall be charged, levied and collected a tax known as sales tax on the value of a taxable service at the rate of specified in the schedule in which the taxable service is listed.

National Disaster Management Authority (NDMA) awarded various civil work contracts to contractors under Karachi Transformation Plan (KTP) and paid an amount of Rs. 8,280.564 million during financial year 2023-24. Details are as under:

(Rs. in million)					
Sr. No.	Date	Cheque No.	Organization	Amount	Sale Tax on Services
1	17.07.2023	94539811	Frontier Works Organization	1,021.233	51.062
2	30.08.2023	94539857	-do-	1,943.301	97.165
3	30.08.2023	94539858	National Logistic Cell	2,414.626	120.731
4	28.09.2023	32214693	Frontier Works Organization	1,024.160	51.208

5	09.10.2023	32214821	National Logistic Cell	980.961	49.048
6	10.01.2024	32215026	National Logistic Cell	269.284	13.464
7	04.01.2024	32215021	Frontier Works Organization	268.760	13.438
8	27.02.2024	32215085	-do-	358.240	17.912
Total				8,280.564	414.028

During certification audit of NDMA for the financial year 2023-24, it was observed that Sindh Sales Tax on Services amounting to Rs. 414.028 million was not deducted from the contractors.

Audit held that non-withholding of sales tax on services from the payment made to the contractors resulted in loss to government revenues and understatement of expenditure on the Annual financial statement.

Initial observation was issued to management on 01.11.2024. Management replied that since Sindh Sales Tax on Services Act, 2011 does not apply to NDMA headquarter, Islamabad. Since the payment was disbursed from NDMA to Contractor firm at Islamabad, the payment of Sindh Sales Tax to the Govt. of Sindh is not applicable. The levy of Sales Tax on Services is limited by the Provincial territories as is evident by very title of act read as Sindh Sales Tax on Services Act, 2011.

The reply of the management is not tenable because the contractor providing the services within the territorial jurisdiction of Sindh province. Therefore, Sindh sales tax on services be recovered and deposited into Government treasury.

The PAO was requested to convene DAC meeting. However, the same was not convened till finalization of this report.

Audit recommends that the amount of sales tax on services may be recovered and deposited into government treasury.

(Para No. 10 of Certification Audit of NDMA F.Y 2023-24)

2.4.6 Overpayment to suppliers due to less deduction of taxes – Rs. 355.775 million

According to Section 153(1)(a) of income tax ordinance 2001 as amended up to June, 2024, the rate of income tax to be deducted by withholding agent in case of supply of goods by the company would be 5% for filer company and 10% for non-filer company. According to Section-(45) of income tax ordinance 2001 as amended up to June 2024, Section 153(1) shall not apply to any manufacture-cum-exporter in case of local supply as he shall be charged @ 1%.

National Disaster Management Authority, Islamabad charged withholding tax @ 1% on the procurement of tents during the financial year 2023-24.

During audit of NDMA for the financial year 2023-24, it was observed that while making payment withholding income tax was deducted @ 1% instead of 5% as required under the income tax ordinance 2001. Detail is are at annexure-XIV.

Audit held that due to non-application of applicable withholding income tax rates, less deduction of income tax of Rs. 355.775 million was made resulting to overpayment to suppliers.

Initial audit observation was issued to the management on 25.09.2024. The management replied that according to Section-45A of income tax ordinance 2001, the rate of deduction of withholding tax under Section-153 shall be 1% on local sales of textile and articles thereof.

The reply of the management is not tenable because according to Section-45 of income tax ordinance preceding to Section-45A, the provisions of Section-153 shall not apply to any manufacturer-cum-exporter provided that (a) the manufacturer-cum-exporter shall deduct tax from payments made in respect of goods sold in Pakistan (b) if tax has not been deducted from payments on account of supply of goods in respect of goods sold in Pakistan, the tax shall be paid by the manufacture-cum-exporter, if the sales in Pakistan are in excess of five per cent of export sales. So these suppliers were required to be qualified

under Section-45 for reduction of withholding tax from 5% to 1% and as no documentary evidence was available in this regard so 5% withholding income tax was required to be deducted while making payment by NDMA.

The PAO was requested to convene DAC meeting. However, the same was not convened till finalization of this report.

Audit recommends that overpayment of Rs. 355.775 million may be recovered from the suppliers and deposited into government treasury.

(Para No. 2 of NDMA F.Y 2023-24)

2.4.7 Excess payment on account non-executed items – Rs. 158.979 million

According to BOQs of the Contract Agreement with M/s National Logistic Cell (NLC) dated 23.02.2023 for Rs. 1,899.151 million which was increased to Rs. 2,019.637 million due to variation orders, specific works along with cost estimates were provided.

National Disaster Management Authority, Islamabad constituted a Board comprising 8 members headed by DG NEOC as president on 27.05.2024 for handing / taking of National Emergency Operation Centre (NEOC).

During audit of NDMA for the financial year 2023-24, it was observed that inventory list for Civil and IT & Networking work was provided by contractor M/s NLC to NDMA on 06.08.2024, the list was verified by NDMA and NLC representatives but not countersigned by DG NEOC, as per TOR of the Board the same was required to be countersigned by DG NEOC. Furthermore, as per BOQs the items as detailed were required to be completed and accordingly payment was made up to IPC#10. However, the same were not shown in the verified inventory list provided by M/s NLC. Details are at annexure-XV.

Audit held that non-provision of agreed and paid items as per BOQs of the contract agreement resulted to overpayment of Rs. 158.979 million and caused loss to public exchequer.

Initial audit observation was issued to the management on 20.11.2024. The management replied that after approval of BoQ items work of NEOC from Competent Authority, NDMA has released to M/S NLC for execution.

The reply of the management was not tenable as the reply of the observation provided was irrelevant.

The PAO was requested to convene DAC meeting. However, the same was not convened till finalization of this report.

Audit recommends that matter for non-taking of agreed and paid items may be justified, inventory list may be finalized in accordance with TORs of constituted Board and recovery of Rs. 158.979 million from the contractor.

(Para No. 45 of NDMA F.Y 2023-24)

2.4.8 Overpayment on account of price adjustment (Orangi and Gujjar Nullahs project) to M/s NLC and M/s FWO - Rs. 40.129 million

According to Planning Commission (Ministry of Planning, Development and Special Initiatives) letter dated 06.04.2021 on the authorization regarding: Restoration of revamping of Orangi Nullah and its Tributaries stated that, the escalation as per Planning Commission guidelines is not allowed in the 1st year of execution so cost of the project be amended accordingly.

According to Clause-J of contract agreements with M/s National Logistic Cell and M/s FWO, the prices bill of quantity of the work Restoration and Revamping of Orangi and Gujjar Nullahs Section-2, Sewerage Works (Man holes, sewer pipes & Nullah cleaning) Sr. No. 19 and 21 respectively, cleaning of existing Nullah including removal of solid waste etc. by labour and equipment and carriage of tons up to Jam Chakor location (land fill site for garbage in Karachi).

National Disaster Management Authority, Islamabad made payment of Rs. 457.522 million to M/s National Logistic Cell (NLC) on 28.06.2022 and Rs. 433.363 million to M/s FWO on 06.06.2022 on account of price adjustment (escalation) through EPC-1 pertaining to IPCs 1 to 4 (M/s NLC) and EPC-1

pertaining to IPCs 1 to 6 (M/s FWO) for restoration and revamping of Orangi and Gujjar Nullahs.

During audit of NDMA for the financial year 2023-24, it was observed that an amount of Rs. 796.847 million was paid through IPC-1 to M/s NLC on account of cleaning of Orangi Nullah and Rs. 800.796 million through IPC-1 to M/s FWO on account of cleaning of Gujjar Nullah , this activity was required to be carried out through labour and machinery so price adjustment (escalation) charged and paid to contractor against the items, cement, steel and bitumen was unjustified and overpayment. Escalation payment certificates-1s for Orangi Nullah include the price adjustment (escalation) of Rs. 17.918 million and for Gujjar Nullah include the price adjustment (escalation) of Rs. 22.211 million. Detail is at annexure-XVI.

Audit held that due to non-adherence to work specification as the work required to be done by use of labour and equipment for cleaning of Nullah, so calculation of price adjustment (escalation) on Cement, Steel and Bitumen resulted in to overpayment of Rs. 17.918 million to M/s NLC and Rs. 22.211 million to M/s FWO.

Initial audit observation was issued to the management on 20.11.2024. However, no reply was provided by the management till finalization of Audit Report.

The PAO was requested to convene DAC meeting. However, the same was not convened till finalization of this report.

Audit recommends that recovery of overpaid amount of Rs. 40.129 million may be made from both the contractors and deposited into public exchequer under intimation to audit.

(Para No. 48 of NDMA F.Y 2023-24)

2.4.9 Un-authorized expenditure out of NDM Fund on event management services – Rs. 23.254 million

According to clause-5 of accounting procedure for operation of NDM Fund dated 05.10.20210, NDMF shall be utilized by the NDMA towards meeting the expenses on activities and transactions related to emergency preparedness, response, mitigation, relief and reconstruction as prescribed in Chapter-IX of NDMA Act. Furthermore, according to Clause-29(5) Chapter-IX of NDMA Act, the National Disaster Management Fund shall be administrated by the National Authority towards meeting the expenses for emergency preparedness, response, mitigation, relief and reconstruction.

National Disaster Management Authority, Islamabad incurred an expenditure of Rs. 10.927 million on inaugurations of newly established National Emergencies Operation Centre (NEOC), Rs. 5.504 million on Special Event on Post Rescue Operation District Battagram and Rs. 6.823 million on National SimEx-4 “ Spring-Thaw 2024”.

During audit of NDMA for the financial year 2023-24, it was observed that amount of Rs. 10.927 million was paid to M/s International Business Services, Islamabad on 03.11.2023 on account of provision of refreshment, cleaning of NDMA office, souvenir etc. Rs. 5.504 million was paid to M/s T&Y Associate, Islamabad on 03.11.2023 on account of provision of services for refreshment, souvenir, printing etc. and Rs. 6.823 million to M/s Step in Enterprise, Islamabad on account of provision of refreshment, Panaflex, certificates, shields etc. The expenditure was not related to emergency preparedness, response, mitigation, relief and reconstruction as NDMF account was only required to be utilized for intended purpose as provided in NDMA Act.

Audit held that expenditure of Rs. 23.254 million out of NDM Fund account was not incurred on the intended purposes as provided in the NDMA Act, hence stands unauthorized.

Initial audit observation was issued to the management on 25.09.2024. The management replied that the events in question played an important role in

NDMA's transformation from reactive to proactive planning / risk assessment, risk reduction, mitigation / adaption, early warning, preparedness and anticipatory actions necessitated transformation of NDMA from a "reactive to a proactive organization".

The reply of the management was not tenable as the expenditures were not related to activities related to emergency preparedness, response, mitigation, relief and reconstruction rather than were incurred on the ceremonial events.

The PAO was requested to convene DAC meeting. However, the same was not convened till finalization of this report.

Audit recommends that unauthorized expenditure out of NDM Fund account may be got regularized from competent forum and strengthening of internal controls to avoid such lapse in future.

(Para No. 17 of NDMA F.Y 2023-24)

Procurement Management

2.4.10 Over-priced award of contracts to state-owned entities on account of Gujjar and Orangi Nullah work – Rs. 5.674 billion

According to Rule-42 of PPRA Rules 2004, a procuring agency may engage in direct contracting with state-owned entities such as professional, autonomous or semi-autonomous organizations or bodies of the Federal or Provincial Governments for the procurement of such works and services, including consultancy services, which are time sensitive and in the public interest, subject to the following conditions, namely:-

- (i) The procuring agency shall devise a mechanism for determining price reasonability to ensure that the prices offered by the state-owned entities are reasonable for award of the contract.

Furthermore, According to Clause-J of contract agreements with M/s National Logistic Cell and M/s FWO, the prices bill of quantity of the work

Restoration and Revamping of Orangi and Gujjar Nullahs, the BOQs were based on National Highway Authority (NHA) Schedule of Rates 2014.

National Disaster Management Authority, Islamabad made contract agreements of Rs. 10.771 billion with M/s NLC on 16.03.2021 for Restoration and Revamping of Orangi Nullah and of Rs. 10.750 billion with M/s FWO on 16.07.2021 for Restoration and Revamping of Gujjar Nullah in Karachi under Karachi Transformation Plan.

During audit of NDMA for the financial year 2023-24, it was observed that 2 contracts were awarded to state-owned entities i.e. M/s NLC & M/s FWO. The price bids submitted by these 2 contractors having BOQs based on NHA Schedule of Rates 2014 as stated in the contract agreements. However, while analyzing BOQs of both the contractors with NHA Schedule of Rates 2014, it revealed that BOQs rates were much higher than NHA Schedule of Rates 2014 as detailed in annexure-XVII.

Audit held that BOQs of both the contracts were required to be based on NHA Schedule of Rates 2014 which was not done leading to overpayment of Rs. 5.674 billion.

Initial audit observation was issued to the management on 20.11.2024. However, no reply was provided by the management till finalization of Audit Report.

The PAO was requested to convene DAC meeting. However, the same was not convened till finalization of this report.

Audit recommends that overpayment of Rs. 5.674 due to non-adherence to NHA Schedule of Rates 2014 as agreed in the contract agreements may be recovered and deposited into public exchequer.

(Para No. 50 of NDMA F.Y 2023-24)

2.4.11 Mis-procurement of family tents on pre-qualification basis instead of open competitive bidding – Rs. 4.829 billion

According to Rule-20 of PPRA Rules 2004, the procuring agencies shall use open competitive bidding as the principal method of procurement for the procurement of goods, services and works.

Furthermore, according to Rule-15 of PPRA Rules 2004, a procuring agency, prior to the floating of tenders, invitation to proposals or offers in procurement proceedings, may engage in pre-qualification of bidders in case of services, civil works, turnkey projects and in case of procurement of expensive and technically complex equipment to ensure that only technically and financially capable firms having adequate managerial capability are invited to submit bids.

National Disaster Management Authority, Islamabad had pre-qualified 4 suppliers/firms on 31.12.2021 for supply of tents to NDMA. Accordingly request for quotations were obtained on 06.06.2023 from these pre-qualified firms.

During audit of NDMA for the financial year 2023-24, it was observed that an amount of Rs. 4,828.905 million was paid to various suppliers on account of supply of tents. However, instead of open competitive bidding, contracts were awarded by obtaining quotation from prequalified suppliers of goods in violation of PPRA Rules 2004. Detail is as under:

(Rs. in million)

Sr. No.	Particulars	Value of contract	Contract date
1	M/s Usman Traders, Lahore 18,826 family tents @ Rs. 51,900/tent (4x4 meter).	977.069	31.08.2023
2	M/s Usman Traders, Lahore for supply of family 23,287 tents @ Rs. 54,495/tent (4x4 meter)	1,269.00	28.11.2023
3	M/s Mari International Ltd, Rawalpindi for supply of 15,229 winterized tents @ Rs. 86,800/tent	1,322	28.11.2023
4	M/s Mari International Ltd, Rawalpindi for supply of 7,839 winterized tents @ Rs. 84,500/tent	662.395	02.10.2023

5	M/s Ali Trading, Lahore for supply of 882 Shelter tents @ Rs. 598,500/tent	70.564	28.11.2023
6	M/s Ali Trading, Lahore for supply of 527.877 Shelter tents @ Rs. 598,500/tent	527.877	31.08.2023
Total		4,828.905	--

Audit held that prequalification of bidders for supply of goods and then obtaining quotation from them was the violation of PPRA Rules 2004 thus lead to lack of transparency.

Initial audit observation was issued to the management on 25.09.2024. The management replied that PPRA Rules, 2004 do not explicitly prohibit the pre-qualification of firms for the supply of goods like blankets, tarpaulins, or tents. Rule 15 of the PPRA Rules allows for pre-qualification of bidders for complex or technical procurements. While this rule is generally applied to works or services, it can also be extended to goods. In view of urgency in disaster response, ensuring quality and reliability and Operational efficiency, the pre-qualification of firms by NDMA is not only permissible under PPRA rules but also essential for fulfilling its mandate of providing timely and effective disaster relief.

The reply of the management was not tenable because as per PPRA Rules 2004, pre-qualification is allowed in case of expensive and technical complex equipment and tents are not expensive and technically complex equipment, moreover, NDMA had not obtained any waiver from PPRA regarding procurement of goods on pre-qualification basis. Regarding urgency of procurement, the record show that all the procured items were kept in stock and not required for any emergency or disaster rather the same were procured for stock piling.

The PAO was requested to convene DAC meeting. However, the same was not convened till finalization of this report.

Audit recommends that responsibility for violation of PPRA Rules, 2004 may be fixed on the person (s) at fault.

(Para No. 5 of NDMA F.Y 2023-24)

2.4.12 Mis-procurement of tents from suppliers without technical evaluation – Rs. 2,582.713 million

According to Rule-4 of PPRA Rules 2004, procuring agencies, while engaging in procurements, shall ensure that the procurements are conducted in a fair and transparent manner, the object of procurement brings value for money to the agency and the procurement process is efficient and economical.

Furthermore, according to Rule-38 of PPRA Rules 2004, the bidder with the most advantageous bid if not in conflict with any other law, rules, regulations or policy of the Federal Government, shall be awarded the procurement contract, within the original or extended period of bid validity.

National Disaster Management Authority, Islamabad issued tender notice in newspapers on 02.09.2021 for pre-qualification of firms for procurement of tents etc. According to tender notice' Annexure-A, pre-qualification was required for supply of family tents and accordingly 4 firms were declared technically qualified for supplies of family tents for 2 years i.e. up to 31.12.2023.

During audit of NDMA for the financial year 2023-24, it was observed that an amount of Rs. 2,582.713 million was incurred on the procurement of winterized and shelter tents by taking quotations from 4 pre-qualified firms/suppliers which had different specification than the family tents and firms were evaluated only for the supply of family tents as per tender notice of dated 02.09.2021. The detail of procurement of winterized and shelter tents as under:

(Rs. in million)

Sr. No.	Particulars	Supplier	Qty of tents	Rate per tent	Contract value	Contract date
1.	Supply of Winterized Tents	M/s Maris International Ltd	15,229	86,800	1,321.877	28.11.2023
2.	-do-	-do-	7,839	84,500	662.395	2.10.2023
3.	Supply of Shelter Tents	M/s Ali Trading	118	598,000	70.564	28.11.2023
4.	-do-	-do-	882	598,500	527.877	31.08.2023
Total			24,068	--	2,582.713	--

Audit held that procurement of winterized and shelter tents from the suppliers which were technically evaluated and declared qualified for supply of on family tents was the violation of PPRA Rules, 2004 and resulted into undue favour to suppliers in awarding of contracts.

Initial audit observation was issued to the management on 25.09.2024. The management replied that firms were pre-qualified for all types of tents (family tent, winterized tent and shelter tent). Accordingly, NDMA procured winterized and shelter tents from pre-qualified firms and therefore no violation or irregularities occurred in the procurement process.

The reply of the management was not tenable because as per bidding documents annexed with tender notice, prequalification was required to be made for family tents and accordingly specification of family tents were provided only. Lab testing of family tents were requested by NDMA on November 2021 to Army Store Inspection Depot, Lahore and accordingly results were evaluated by technical committee on 23rd December 2021.

The PAO was requested to convene DAC meeting. However, the same was not convened till finalization of this report.

Audit recommends that matter may be inquired and responsibility fix on the person (s) at fault for violation of PPRA Rules, 2004 and lack of fairness and transparency.

(Para No. 9 of NDMA F.Y 2023-24)

2.4.13 Mis-procurement for award of construction work of NEOC building - Rs. 2,092.033 million

According to Rule 42 (i) & (ii) of PPRA Rules 2004, a procuring agency may engage in direct contracting with state-owned entities such as professional, autonomous or semi-autonomous organizations or bodies of the Federal or Provincial Governments for the procurement of such works and services, including consultancy services, which are time sensitive and in the public interest, subject to the conditions that the organization or the body to be engaged in direct contracting shall be eligible to perform the works or render the services

and the organization or the body shall accomplish the work or the services including consultancy services, exclusively through its own resources without involving private sector as a partner or in the form of a joint venture or as a sub-contractor.

National Disaster Management Authority, Islamabad had awarded contract of Rs. 1,899.151 million to M/s National Logistic Cell (NLC) for construction of National Emergency Operation Centre (NEOC) on February 2023 which was increased to Rs. 2,092.033 million due to variation orders.

During audit of NDMA for the financial year 2023-24, it was observed that work of construction of National Emergency Operation Centre (NEOC) was awarded to National Logistic Cell (NLC). However, M/s NLC instead of doing work itself, engaged 2 subcontractors each for civil work and IT & Networking works for the said project in violation of rules. An amount of Rs. 1,917.046 million was paid to M/s NLC up to 30th June, 2024 out of NDMA Fund Account.

(Rs. in million)

Sr. No.	Particulars	Sub-contractors	Amount
1.	Design fee, 3 rd party vetting & supervision of work by consultant	-	42.762
2.	Civil Work of steel framed structure building	M/s Raiz ud din Engineering Pvt Ltd	699.152
3.	IT & Networking works	M/s Elegant Solution	1,157.237
4.	2 Variation orders	Both of above	192.882
Total			2,092.033

Audit held that award of contract to M/s NLC being state-owned enterprise was the violation of PPRA Rules besides non-competitive award of work as the work performed through subcontractors by M/s NLC.

Initial audit observation was issued to the management on 20.11.2024. The management replied that NDMA adopted relevant provision of Rule-42 of PPRA Rules 2004 for award of construction of NEOC (Direct Contracting with State-owned Entities). NDMA issued Notice Inviting Tender (NIT) to concerned

State-owned Entities (SOEs) duly registered with Pakistan Engineering Council (PEC) with a valid Registration Certificate in Category CA with specializations project code in CE-01, CE-02 & CE-10, who can prove their eligibility and qualification. Keeping in mind the urgency of establishment of NEOC and subsequent fast paced nature of project M/S NLC engaged sub-contractors having similar nature of experience in best interest of project.

The reply of the management was not tenable because according to Rule-42 of PPRA Rules 2014 direct contracting to State-owned Entities was allowed only to accomplish the work or the services including consultancy services, exclusively through its own resources without involving private sector as a partner or in the form of a joint venture or as a sub-contractor.

The PAO was requested to convene DAC meeting. However, the same was not convened till finalization of this report.

Audit recommends that matter may be inquired to fix the responsibility on the person (s) at fault regarding engaging of subcontractors by M/s NLC for the project.

(Para No. 43 of NDMA F.Y 2023-24)

2.4.14 Non-conducting lab testing to ensure the quality as per agreed specification of blankets

According to NDMA Guidelines for Stocking, Maintenance and Supply of Relief and Rescue Items, pre-shipment inspection to be carried out before dispatches of blankets to the required destination by designated officers of respective disaster management authority. The team or officer will conduct random inspection at the premises of manufacturer. The inspection to be carried randomly and visually for every lot of 2,000 blankets. The inspecting officer shall collect random sample from the assigned lots and will submit to any one of the approved laboratories like PCSIR or as mutually agreed between manufacturer/supplier and respective disaster management authority for testing and checking at the cost of vendor(s). The blankets shall be only dispatched, if accepted by inspection officers

National Disaster Management Authority, Islamabad made payment of Rs. 1,462.014 million to different suppliers on account of procurement of 300,000 blankets detailed as under:

(Rs. in million)				
Sr. No	Particulars	Supplier	Qty	Amount
1.	Supply of Blankets (double ply)	M/s FTS International Ltd	27,000	83.937
2.	Supply of Blankets (three ply)	M/s Pearl Associates	79,660	480.484
3.	-do-	-do-	60,340	388.160
4.	Supply of Blankets (double ply)	M/s Shabbir & Sons	133,000	509.433
Total			300,000	1,462.014

During audit of NDMA for the financial year 2023-24, it was observed that an amount of Rs. 1,462.014 million was paid to different suppliers as above for supply of 300,000 blankets and as per Stocking Guidelines of NDMA, it was required that 150 samples out of every lot of 2,000 blankets were required to be tested from PCSIR Laboratory, however, the same was not done and supply was accepted as per record. Moreover, as per work order original delivery challans were required to be provided by supplier, however, on record photocopies of delivery challans were accepted by NDMA and accordingly payment was released. Furthermore, stock register showing receipt of tents was not signed by the concerned officer (s).

Audit held that Laboratory testing as per NDMA Stock Guidelines was not carried out as laboratory reports were not available, original delivery challans of supply as per work order were not obtained thus leading to non-assurance of agreed quantity delivery as per agreed specification.

Initial audit observation was issued to the management on 06.11.2024. The management replied that NDMA Guidelines for stocking, maintenance and supply of relief and rescue items states that in order to ensure adherence to the standard specification, an appropriate sample, preferably one blanket out of lot of 5000 are to be sent to anyone of the approved laboratories like PCSIR or as mutually agreed between manufacturer/supplier and respective disaster

management authority for testing and checking”. The above condition states “preferably” one blanket which means that it is not necessary that one blanket out of each lot be sent for lab test. Therefore, as considered appropriate by inspection team only one Blanket was sent for lab test.

The management reply was not tenable as in accordance with NDMA guidelines sample in required quantities were required to be tested from the labs to ensure the delivery of blankets in accordance with specification of contract agreement. Moreover, lab report of only 01 blanket 3 and 2 ply each was enclosed with the reply.

The PAO was requested to convene DAC meeting. However, the same was not convened till finalization of this report.

Audit recommends that matter may be inquired to fix the responsibility on the person(s) at fault and accordingly verification of record from audit.

(Para No. 35 of NDMA F.Y 2023-24)

2.4.15 Mis-procurement of blankets from non-prequalified bidders – Rs. 570.186 million

According to Rule 15 of PPRA Rules 2004, a procuring agency, prior to the floating of tenders, invitation to proposals or offers in procurement proceedings, may engage in pre-qualification of bidders in case of services, civil works, turnkey projects and in case of procurement of expensive and technically complex equipment to ensure that only technically and financially capable firms having adequate managerial capability are invited to submit bids.

Contract agreements for supply of 27,000 blankets @ Rs. 2,714 / blanket (double ply) amounting to Rs. 73.278 million (without GST) was made on 07.09.2023 with M/s FTS International, Rawalpindi to complete supply within 14 days and for supply of 79,660 blankets @ Rs. 5,146 / blanket (three ply) amounting to Rs. 409.930 million (without GST) was made on 07.09.2023 with M/s Pearl Associates, Islamabad to complete supply within 45 days.

During audit of NDMA for the financial year 2023-24, it was observed that an amount of Rs. 80.460 million (after deducting taxes etc.) was paid on

01.12.2023 to M/s FTS International, Rawalpindi on supply on 27,000 blankets and Rs. 460.921 million (after deducting taxes etc.) was paid on 01.12.2023 to M/s Pearl Associates, Islamabad on supply on 79,660 blankets.

Audit observed as under:

- i. M/s FTS International was prequalified on 27.08.2021 till 31.12.2022 for supply of blankets (double ply). However, request for quotation was obtained on 06.06.2023 and work order was issued on 07.09.2023 in the time period when prequalification validity was expired.
- ii. The delivery challans of M/s FTS International for 11,240 blankets related to Quetta warehouse prima facie seem to be fake as without serial no of form, not original but photo copies. One delivery challan of 3,800 blanket in related to Gilgit Baltistan was tempered as 1,800 changed to 3,800 and one delivery challan of 10,000 related to Islamabad warehouse was not original as scanned copy without serial no of form.
- iii. M/s Pearl Associates, Islamabad was prequalified for supply of blankets (double ply), however, request for quotation was obtained for blankets (three ply) and it was prequalified on 27.08.2021 till 31.12.2022 for supply of blankets (double ply). However, request for quotation was obtained on 06.06.2023 and work order was issued on 07.09.2023 in the time period when prequalification validity was expired.
- iv. According to contract agreement delivery of 79,660 blankets were required to be made by M/s Pearl Associates, Islamabad in the destinations i.e. Gilgit Baltistan (30,000), Muzaffarabad (35,000) and Quetta (14,660). However, as per delivery challans of supplier 41,630 blankets were shown as delivered and received by in-charge NDMA warehouse, Islamabad 14,660 blankets at NDMA warehouse, Quetta 11, 240 at NDMA warehouse GB and 11,130 at NDMA warehouse Muzaffarabad. However, record show all quantities in stock register of NDMA warehouse, Islamabad thus leading to non-transparency about the receipts of procured blankets.

- v. According to PPRA rules 2004, open competitive bidding was the principal method of procurement and prequalification was not allowed in case of procurement of goods, and hence, prequalification of bidders for supply of goods was the violation of rules.
- vi. Prequalification process was initiated on 21.01.2021. However, record i.e. minutes of technical evaluation committee, technical evaluation report, technical evaluation criteria and marks obtained by bidders, grievances raised by bidders, minutes of grievances redressal committee, numbers of bidders participated etc. were not available on provided files.

Audit held that prequalification of bidders and then obtaining financial proposals from them was the violation of PPRA Rules 2004 and non-delivery of procured blankets at agreed destinations and discrepancies in stock register all lead to lack of transparency.

Initial audit observation was issued to the management on 25.09.2024. The management replied that pre-qualification of firms was extended with the approval of the National Authority up to 30.04.2023 and PPRA Rules, 2004, do not explicitly prohibit the pre-qualification of firms for the supply of goods like blankets, tarpaulins, or tents. Delivery of blankets were taken on stock register and pre-qualification record is available.

The reply of the management was not tenable as quotation were obtained from pre-qualified bidders after expiry of extended period 06.06.2023. As per PPRA Rules 2004, pre-qualification is allowed in case of expensive and technical complex equipment and blankets are not expensive and technically complex equipment. Original delivery challans of blankets were not get verified from audit. Technical evaluation criteria framed by NDMA in bidding documents for evaluation of technical bids and accordingly evaluation of bidder's record and bidding documents sale record was not provided with reply.

The PAO was requested to convene DAC meeting. However, the same was not convened till finalization of this report.

Audit recommends that responsibility for violation of PPRA Rules, 2004 may be fixed on the person (s) at fault. Non-delivery of procured items in agreed destinations as per contract agreement, discrepancies in delivery challans and stock register and award of contract to non-qualified bidder may be inquired to ascertain the factual position.

(Para No. 1 of NDMA F.Y 2023-24)

2.4.16 Non-preparation of annual procurement plan

According to Rule-8 & 9 of PPRA Rules 2004, within one year of commencement of these rules, all procuring agencies shall devise a mechanism, for planning in detail for all proposed procurements with the object of realistically determining the requirements of the procuring agency, within its available resources, delivery time or completion date and benefits that are likely to accrue to the procuring agency in future. A procuring agency shall announce in an appropriate manner all proposed procurements for each financial year. The annual requirements thus determined would be advertised in advance on the Authority's website as well as on the website of the procuring agency in case the procuring agency has its own website.

National Disaster Management Authority, Islamabad made procurement contracts on account of supply of tents, blanket etc. during the financial year 2023-24.

During audit of NDMA for the financial year 2023-24, it was observed that contracts amounting to Rs. 6.129 billion were awarded on account of procurement of relief items etc. However, the procurement plan was not prepared. Detail is as under:

(Rs in million)

Sr. No	Particulars	Supplier	Contract date	Qty	Contract value
1.	Supply of Winterized Tents	M/s Maris International Ltd	28.11.2023	15,229	1,321.877
2.	-do-	-do-	2.10.2023	7,839	662.395
3.	Supply of Shelter Tents	M/s Ali Trading	28.11.2023	118	70.564
4.	-do-	-do-	31.08.2023	882	527.877
5.	Supply of Family tents	M/s Usman Traders	28.11.2023	23,287	1,269.00
6.	-do-	-do-	31.08.2023	18,826	977.00
7.	Supply of Blankets (double ply)	M/s FTS International Ltd	07.09.2023	27,000	73.278
8.	Supply of Blankets (three ply)	M/s Pearl Associates	07.09.2023	79,660	409.930
9.	Supply of Blankets (double ply)	M/s Shabbir & Sons	20.12.2023	133,000	510.720
10.	Supply of Generators	M/s Battan Group of Services	26.10.2023	2.00	146.084
11.	Supply of canned food	M/s Bilal International	31.10.2023	10,000	92.00
12.	Supply of SMD LED Video Wall Screens	M/s AZI International	12.12.2023	4.00	68.320
Total					6,129.045

Audit held that non-preparation of annual procurement plan was the violation of PPRA rules, 2004 and show weak internal controls.

Initial audit observation was issued to the management on 06.11.2024. The management replied that NDMA's mandate includes responding to unforeseen emergencies, which makes it impractical to include all potential emergency items in the annual procurement plan. Purchases were made under emergency provisions, as allowed by procurement rules, to ensure rapid response and public safety.

The management reply was not tenable as all the above procurements were made for stocking of relief items and not due to an emergency.

The PAO was requested to convene DAC meeting. However, the same was not convened till finalization of this report.

Audit recommends that annual procurement plan for the financial year 2023-24 may be prepared and irregularity committed may be got regularized from competent forum.

(Para No. 23 of NDMA F.Y 2023-24)

HR Management

2.4.17 Irregular expenditure without approval of PC-I on account of salaries of project staff - Rs. 139.609 million

According to para 2(i) of letter No. 4(9) R-14/2008 dated 18.04.2022 of Regulation Wing of Finance Division, the standard pay package of project staff will be followed for the appointments of officers/ staff including Project Directors, Advisors, Specialists, Consultants etc. in the PSDP funded development projects as reflected in the PC-I/ PC-II, duly approved by the competent forum.

NDMA act as Secretariat of National Disaster Management Commission to facilitate implementation of Disaster related strategies. The main objectives of NDMA includes to coordinate emergency response of federal government in the event of a national level disaster through the National Emergency Operations Center (NEOC).

During audit of National Disaster Management Authority (NDMA) for the financial year 2023-24, it was observed that NDMA employed 82 number of employees in NEOC on Project Pay Scales (PPS). This pay package was allowed to the officers/ staff appointed against PSDP funded projects as reflected in their PC-I and PC-II. Contrarily, these employees were appointed and paid PPS salaries without approval of any PC-I/ PC-II as detailed below:

(Rs. in million)

Sr. No.	Month	Gross Salary
1	July, 2023	4.637
2	August, 2023	9.351
3	September, 2023	9.039

4	October, 2023	9.039
5	November, 2023	8.514
6	December, 2023	11.862
7	January, 2024	11.459
8	February, 2024	13.639
9	March, 2024	15.064
10	April, 2024	14.293
11	May, 2024	16.335
12	June, 2024	16.378
Total		139.609

Audit held that payment on account of salaries amounting to Rs.139.609 million to the contract employees on PPS basis without approval of PC-I stands irregular.

Initial audit observation was issued to the management on 06.11.2024. The management replied that the Project Document was accordingly approved by National Authority in line with the prescribed procedures / rules. Financing from Public Sector Development Program (PSDP) was not availed and all expenditures were met from within the available resources of NDMA and the emergent nature project was established to enhance preparedness and coordination for monitoring a befitting response against floods events..

The management reply was not tenable as payment of salaries was made to the employees without approval of PC-I.

The PAO was requested to convene DAC meeting. However, the same was not convened till finalization of this report.

Audit recommends that matter may be looked into and approval of the project may be obtained from the competent forum under intimation to audit.

(Para No. 27 of NDMA F.Y 2023-24)

2.4.18 Irregular appointment on contract basis on 86 posts of contractual employees of NEOC

According to Establishment Division Office Memorandum issued vide letter No.6/2/2000-R.3, dated 06.05.2000, policy guidelines for contract appointments for posts in autonomous/semi-autonomous bodies, corporations,

public sector companies etc., owned and managed by the federal government. For projects which have a limited life, appointments may be made on contract basis by the prescribed appointing authority after open advertisement of the vacancies. The advertisement should indicate prescribed academic and professional qualifications, experience, age, provincial/regional quotas, special quotas etc., where applicable, as per rules/government policy.

National Disaster Management Authority, Islamabad made payment on account of salaries to the 86 employees of National Emergency Operation Centre, Islamabad.

During audit of NDMA for the financial year 2023-24, it was observed that an amount of Rs. 16.335 million was paid to 86 contractual employees of NEOC in the month of June, 2024. However, the appointment record i.e. advertisement, approval of the prescribed appointing authority, approved posts by the competent forum against which appointment made etc. was not available on record. The detail of contractual employees is as under:

Sr. No.	Particulars	No of Posts
1.	Project Pay Scale PPS-10	3
2.	Project Pay Scale PPS-9	14
3.	Project Pay Scale PPS-8	22
4.	Project Pay Scale PPS-7	42
5.	Project Pay Scale PPS-5	2
6.	Project Pay Scale PPS-4	3
Total		86

Audit held that appointment and payment of salaries to contractual employees of NEOC without adhering to prescribed procedure was the violation of establishment division guidelines.

Initial audit observation was issued to the management on 20.11.2024. The management replied that to ensure the smooth execution of tasks, a significant number of staff was required. Due to which 86 project posts were being hired / appointed from the open market purely on merit basis.

The management reply was not tenable as the complete record/ personal files was not provided.

The PAO was requested to convene DAC meeting. However, the same was not convened till finalization of this report.

Audit recommends that appointment on contract basis without observing prescribed procedure may be inquired and responsibility be fixed on the person (s) at fault.

(Para No. 56 of NDMA F.Y 2023-24)

2.4.19 Irregular payment without approval of CDWP for construction of NEOC building

According to Para 1.05 of Manual of Development Projects 2024 of Planning Commission, Central Development Working Party (CDWP) is responsible for the scrutiny and approval of development projects beyond the sanctioned limit of DDWP (limit is Rs. 1,000 million) and up to 7.5 billion having federal financing and/or foreign component. The CDWP is chaired by the Deputy Chairman Planning Commission.

National Disaster Management Authority, Islamabad had awarded contract of Rs. 1,899.151 million to M/s National Logistic Cell (NLC) for construction of National Emergency Operation Centre (NEOC) on February 2023 which was increased to Rs. 2,092.033 million due to variation orders.

During audit of NDMA for the financial year 2023-24, it was observed that an amount of Rs. 2,019.637 million was paid up to IPC-10 on 01.12.2023. However, approval of the Central Development Working Party (CDWP) was not obtained.

Audit held that initiation and payment on the project costing Rs. 2.0196 billion with the approval of the competent forum was the violation of rules.

Initial audit observation was issued to the management on 06.11.2024. The management replied that Section-29 of NDM Act 2010 vest all powers to manage NDMF to National Authority. Moreover, Accounting Procedures section 29 (5) of NDMF shall be administered by the National Authority towards meeting the expenses for emergency preparedness, response, mitigation, relief and construction. NDMA formulated detailed Project

Proposal / Document and the same was submitted to National Authority as per the provision in NDM Act 2010 and NDMF Accounting Procedures. Financing from Public Sector Development Program (PSDP) was not availed and all expenditures were met from within the available resources of NDMA. Moreover, the emergent nature project was established to enhance preparedness and coordination for monitoring a befitting response against floods events.

The management reply was not tenable as expenditure out of public exchequer was to be expended after fulfilling the codal formalities.

The PAO was requested to convene DAC meeting. However, the same was not convened till finalization of this report.

Audit recommends that non-obtaining the approval of Central Development Working Party (CDWP) for the project may be inquired to fix responsibility on the person(s) at fault.

(Para No. 41 of NDMA F.Y 2023-24)

Disaster Risk Management (Response, Rescue, Recovery and Rehabilitation)

2.4.20 Irregular and non-economical construction work cost of NEOC building - 1,917.046 million

According to Rule 42(ii) of PPRA Rules 2004, a procuring agency may engage in direct contracting with state-owned entities such as professional, autonomous or semi-autonomous organizations or bodies of the Federal or Provincial Governments for the procurement of such works and services, including consultancy services, which are time sensitive and in the public interest, subject to the condition that the procuring agency shall devise a mechanism for determining price reasonability to ensure that the prices offered by the state-owned entities are reasonable for award of the contract

National Disaster Management Authority, Islamabad had awarded contract of Rs. 1,899.151 million to M/s National Logistic Cell (NLC) for construction of National Emergency Operation Centre (NEOC) on February 2023 which was increased to Rs. 2,019.637 million due to variation orders.

During audit of NDMA for the financial year 2023-24, it was observed that work of construction of National Emergency Operation Centre (NEOC) was awarded to National Logistic Cell (NLC). A contract agreement of Rs. 1899.151 million later on increased to Rs. 2,092.033 million as detail below was made along with BOQs. However, while preparing BOQs, no mechanism for determining price reasonability was devised to ensure the economy and effectiveness to ensure value for money. An amount of Rs. 1,917.046 million was paid to M/s NLC up to 30th June, 2024 out of NDMA Fund Account.

(Rs. in million)

Sr. No	Particulars	Sub-Contractors	Amount
1.	Design fee, 3 rd party vetting & supervision of work by consultant	-	42.762
2.	Civil Work of steel framed structure building	M/s Raiz ud din Engineering Pvt Ltd	699.152
3.	IT & Networking works	M/s Elegant Solution	1,157.237
4.	2 Variation orders	Both of above	192.882
Total			2,092.033

Audit held that award of contract to M/s NLC being state-owned enterprise without determining price reasonability while preparing BOQs was a violation of PPRA Rules.

Initial audit observation was issued to the management on 06.11.2024. The management replied that Pakistan faced huge loss of human lives, livestock, crops and infrastructure in the floods of the year 2022. The need of the time was to make NEOC operational before the monsoon of 2023. Therefore, emergency procurement was made in pursuance of NDMA Act and PPRA rules. Furthermore, a technical expert committee thoroughly analyzed BoQ items and their prices keeping in view the fast pace nature of projects and making all equipment available in due time from local and international markets.

The management reply was not tenable as the basis of preparation of BoQs of the work was not supported with documentary evidence.

The PAO was requested to convene DAC meeting. However, the same was not convened till finalization of this report.

Audit recommends that matter may be inquired to fix the responsibility on the person (s) at fault regarding non-devising of mechanism for determining price reasonability while preparing BoQs of the project.

(Para No. 42 of NDMA F.Y 2023-24)

2.4.21 Non-verifiable payment on account of cleaning of Nullahs – Rs. 2.486 billion

According to Clause-J of contract agreements with M/s National Logistic Cell and M/s FWO, the prices bill of quantity of the work Restoration and Revamping of Orangi and Gujjar Nullahs Section-2, Sewerage Works (Man holes, sewer pipes & Nullah cleaning) Sr. No. 19 and 21 respectively, cleaning of existing Nullah including removal of solid waste etc. by labour and equipment and carriage of tons up to Jam Chakor location (land fill site for garbage in Karachi).

National Disaster Management Authority, Islamabad made contract agreements with M/s NLC on 16.03.2021 for Restoration and Revamping of Orangi Nullah and with M/s FWO on 16.07.2021 for Restoration and Revamping of Gujjar Nullah in Karachi under Karachi Transformation Plan.

During audit of NDMA for the financial year 2023-24, it was observed that an amount of Rs. 1.355 billion to M/s National Logistic Cell (NLC) through IPC-15 on 10.07.2023 and Rs. 1.131 billion to M/s FWO on 08.07.2024 on account of cleaning 677,396 tones solid waste of Orangi Nullah and 693,901 tones solid waste Gujjar Nullahs, However, documentary evidence of solid waste disposal at Jam Chakro location (land fill site for garbage in Karachi) was not available on record.

Audit held that due to non-availability of documentary evidences of 1,371,297 tons solid waste disposal at Jam Chakro land fill site, Karachi, the expenditure stands un-verifiable.

Initial audit observation was issued to the management on 20.11.2024. However, no reply was provided by the management till finalization of Audit Report.

The PAO was requested to convene DAC meeting. However, the same was not convened till finalization of this report.

Audit recommends that due to non-availability of documentary evidences of 1,371,297 tons solid waste disposal the payment of Rs. 2.486 billion stand un-verifiable.

(Para No. 49 of NDMA F.Y 2023-24)

2.4.22 Irregular payment of escalation for Orangi and Gujjar Nullah work

According to clause A (2) of standard procedure and formula for price adjustment of Pakistan Engineering Council issued on May 2022, construction schedule should be provided by the contractor as required in the Contract. Price Adjustment shall be applicable as payable in full for the original scheduled completion period.

Furthermore, according to Clause 14.1 of Particular Conditions of Contract Agreements with M/s NLC & M/s FWO, the work program shall be submitted within 42 days from the date of receipt of letter of acceptance.

National Disaster Management Authority, Islamabad made payment of Rs. 11.023 billion to M/s National Logistic Cell (NLC) up to final bill No. 18 dated 11.05.2024 and Rs. 10.007 billion to M/s Frontier Works Organization (FWO) up to IPC-15 dated 11.06.2024.

During audit of NDMA for the financial year 2023-24, it was observed that an amount of Rs. 3.267 billion was paid through EPC-1 to EPC-12 to M/s NLC on account of escalation for Orangi Nullah work and Rs. 2.476 billion was paid through EPC-1 to EPC-08 to M/s FWO on account of escalation for Gujjar Nullah work. While processing payment of escalation, construction schedule as provided in contract agreements, was not submitted by contractors.

Audit held that non-submission of construction schedule of the work by the contractors and non-monitoring by “The Engineer” of construction schedule required under contract agreement for completion of the work in time resulted into escalation payment of Rs. 5.743 billion as loss to public exchequer.

Initial audit observation was issued to the management on 20.11.2024. However, no reply was provided till finalization of Audit Report.

The PAO was requested to convene DAC meeting. However, the same was not convened till finalization of this report.

Audit recommends that matter regarding payment on account of escalation of Rs. 5.743 billion without codal formalities may be investigated to fix responsibility on the person (s) at fault and recovery thereof.

(Para No. 51 of NDMA F.Y 2023-24)

2.4.23 Non-imposition of liquidated damages due to delay in completion of Orangi Nullah work and Gujjar Nullah work – Rs. 2,103.00 million

According to clause 43.1 special stipulations of contract agreements signed on 16.03.2021 and 16.07.2021 with M/s National Logistic Cell and M/s Frontier Works Organization respectively, for reconstruction and revamping of Orangi and Gujjar Nullahs work, the completion period was provided as 12 months. Furthermore, according to clause 47.1 of special stipulations, liquidated damages were @ 0.1% of the contract price for each day of delay in completion of works subject to maximum of 10% of contract price.

National Disaster Management Authority awarded contracts of Rs. 10.711 billion to M/s NLC for Orangi Nullah work and Rs. 10.750 billion to M/s FWO for Gujjar Nullah Work respectively.

During audit of NDMA for the financial year 2023-24, it was observed that restoration and revamping of Orangi Nullah work and Gujjar Nullahs work were awarded to be completed within 12 months, however, work was still in progress and could not be completed in time. Details are as under:

(Rs. in million)

Sr. No.	Particulars	Contractor	Contract value	Payment	Date	Amount of LD @ 10%
1	Restoration and revamping of Orangi Nullah, (final bill-18)	M/s NLC	10.711	11,023.00	11.05.2024	1,102.30
2	Restoration and revamping of Gujjar Nullah, (IPC-15)	M/s FWO	10.750	10,007.00	11.06.2024	1,000.70
Total				21,030.00	--	2,103.00

Audit held that non-imposition of liquidated damages on the contractors for delay of work was a violation of the contract agreement. Thus undue favour was extended to the contractors.

Initial audit observation was issued to the management on 20.11.2024. However, no reply was provided till finalization of Audit Report.

The PAO was requested to convene DAC meeting. However, the same was not convened till finalization of this report.

Audit recommends that liquidated damages amounting to Rs. 2,103.00 million may be imposed and recovered from the contractors in accordance with contract agreements.

(Para No. 52 of NDMA F.Y 2023-24)

2.4.24 Non-compliance of APDRF implementation guidelines

According to Asian Development Banks letters dated 15.11.2023 and 15.08.2024, the Asia Pacific Disaster Response Fund (APDRF) implementation guidelines shared with the recipient at the time of grant approval and requested to NDMA furnish distribution details of the relief items, including sex-disaggregated data of beneficiaries, to assess the effectiveness of the grant project and the matter was also discussed during the 2nd tri-partite portfolio review wrap-up meeting held at EAD Office on 06.10.2023.

NDMA procured winterized tents, blankets, mats and heater out of ADB Grant during financial year 2022-23 for flood affectees. The details are as under:

(Rs. in million)

Sr. No.	Name of Items	Quantity	Unit Price (Rs.)	Name of Vendor	Total Cost
1	Winterized Tents	7,167	62,500	M/s Usman Traders	447.937
2	Blankets	43,000	2,434	M/s Fazal Din Trade Solicitors	104.662
3	Bubble Mats	43,000	3451.50	M/s International Business Services	148.414
4	Kerosene Heater	7,167	10,350	M/s Majid Traders Solicitors	74.178
Total					775.191

During audit of FAP Grant No. 0844, Pakistan 2022 Flood Emergency Response Project for the financial year 2023-24, it was observed that NDMA neither prepared nor shared the distribution details of the relief items, including gender-disaggregated data of beneficiaries with the donor i.e. Asian Development Bank.

Audit held that not sharing the distribution details of the relief items with the donor was serious lapse on the part of management because the donor could not assess the effectiveness of the grant project.

Initial audit observation was issued on 07.11.2024. The management replied that NDMA procured winterized tents, blankets, kerosene heaters and bubble mats using the ADB grant for flood response in 2022. Most of these items were required to be distributed in Sindh province being the most affected province. However, at the time of receipt of said items from ADB grant the weather conditions changed and said items were not required in Sindh and same were stored. Meanwhile, Turkey-Syria earthquake operation started and PM directed for immediate action. Therefore, winterized tents and blankets available with NDMA stocks were sent to Turkey-Syria. The ADB tents and blankets sent to Turkey-Syria were recouped immediately and are available in NDMA stocks. Secondly, NDMA does not distribute items directly to beneficiaries. Relief items

are issued by NDMA to provincial or district authorities for further distribution among affectees.

The reply was not acceptable as the relief items were purchased for local affectees.

The PAO was requested to convene DAC meeting. However, the same was not convened till finalization of this report.

Audit recommends that the matter may be inquired to assess this lapse.

(FAP Report Para No. 4.1.2 of NDMA F.Y 2023-24)

2.4.25 Non-distribution of flood relief items out of ADB Grant – Rs. 222.592 million

According to Schedule-I of Grant Agreement entered between Asian Development Bank (ADB) and Islamic Republic of Pakistan “the project consist of activities relating to provision of life preserving services for communities affected by monsoon flood 2022 disaster”. Grant Agreement between ADB and Islamic Republic of Pakistan for 3 million Dollars (\$3,000,000) was signed on 16.09.2022 for emergency response against monsoon flood 2022 in Pakistan.

NDMA procured bubble mats and kerosene heaters out of ADB Grant during financial year 2022-23 for flood affectees. The details are as under:

Sr. No.	Name of Items	Quantity	Unit Price (Rs.)	Name of Vendor	Total Cost (Rs. in million)
1	Bubble Mats	43,000	3451.50	M/s International Business Services	148.414
2	Kerosene Heater	7,167	10,350	M/s Majid Traders Solicitors	74.178
Total					222.592

During audit of FAP Grant No. 0844, Pakistan 2022 Flood Emergency Response Project for the financial year 2023-24, it was observed that the bubble mats and kerosene heaters procured out of ADB Grant for flood affectees were not distributed till date of audit i.e. 05.11.2024. Furthermore, the grant closing report submitted to EAD Islamabad dated 28.08.2023 states that the project was

efficient and the procured items were delivered as planned. All the items were procured and delivered to the recipients, without any grievances.

Audit held that the non-distribution of items to the affectees was a serious lapse.

Initial audit observation was issued on 07.11.2024. Management replied that during the 2022 floods, initial demand of kerosene heaters and bubble mats was generated to meet the emergency need of the flood affectees. However, at the time of receipt of heaters and bubble mats at NDMA (Jan 23), the need of relief items was limited to Sindh flood affected areas where said items were not required due to weather conditions. It is pertinent to mention that NDMA being the national disaster organization has to maintain certain stock of relief stores to meet the emergent requirement. Likewise, during disasters NDMA carries out emergency procurement on anticipated requirements for supporting PDMA. However, PDMA and NGOs/INGOs are also working to meet the needs of disaster affectees. Hence, 100% utilization of NDMA stocks is not required as NDMA only issues the relief items if need is not being met by PDMA. Therefore, kerosene heaters and bubble mats were not issued and kept at NDMA warehouse for utilizing in future disasters on requirement.

The reply of the management was not tenable because ADB Grant was specifically meant for activities relating to provision of life preserving services for communities affected by monsoon flood 2022 disaster.

The PAO was requested to convene DAC meeting. However, the same was not convened till finalization of this report.

Audit recommends that the matter may be inquired and responsibility may be fixed.

(FAP Report Para No. 4.1.1 of NDMA F.Y 2023-24)

Mitigation (Legal Frame Work, Governance & Impact)

2.4.26 Non-holding of National Disaster Management Commission meetings on regular basis for disaster management

According to Section 4 (1) of National Disaster Management Act, 2010, the National Disaster Management Commission shall meet as and when necessary and at such time and place as the Chairperson of the National Commission may think fit. .

National Disaster Management Commission (NDMC) may lay down policies on disaster management; approve the National Plan; approve plans prepared by the Ministries or Divisions of the Federal Government in accordance with the National Plan; oversee, the provision of funds for the purpose of mitigation measures, preparedness and response; and take such other measures for the prevention of disaster or the mitigation, or for preparedness and capacity building for dealing with disaster situation as it may consider necessary under Section 6 of NDMA Act 2010. During June and August 2022, torrential rains and a combination of riverine, urban, and flash flooding led to an unprecedented disaster in Pakistan. According to Pakistan Floods 2022 Post Disaster Needs Assessment Report, Ministry of Planning Development & Special Initiatives, around 33 million people were affected by the flood, of which nearly 8 million people were displaced. Details of damages, loss and needs are as under¹³.

Region	Damage		Loss		Needs	
	Billion PKR	Million US\$	Billion PKR	Million US\$	Billion PKR	Million US\$
Balochistan	349	1,625	541	2,516	491	2,286
Khyber Pakhtunkhwa	201	935	141	658	168	780
Punjab	111	515	122	566	160	746
Sindh	1,948	9,068	2,444	11,376	1,688	7,860
Cross-Provincial	587	2,731	14	67	975	4540
Special Regions	7	32	11	49	10	48
Total	3,203	14,906	3,273	15,232	3,492	16,260

¹³ Pakistan Floods 2022 Post Disaster Needs Assessment Report, Ministry of Planning Development & Special Initiatives.

During audit of NDMA for the financial year 2023-24, it was observed that NDMC had held only 05 meetings in total and the last meeting of the Commission was held on 28.03.2018 despite the fact that key responsibilities were assigned to the NDMC for preparedness and response perspective. The detail of meetings held is as under:

Sr. No.	NDMC meetings	Dates of meetings
1.	First meeting	05.03.2007
2.	Second meeting	03.01.2009
3.	Third meeting	19.08.2010
4.	Fourth meeting	21.02.2013
5.	Fifth meeting	28.03.2018

Audit held that due to irregular meetings of forum of National Disaster Management Commission on implementation and monitoring of disaster preparedness, response and mitigation was a fundamental factor that contributed to bad planning and execution of relief activities.

Initial audit observation was issued on 20.11.2024. The management replied that the management of NDMA tried their level best to secure availability of the Prime Minister of Pakistan (being Chairperson of the Commission) by moving Summaries for the conduct of meeting. However, due to multiple challenges faced by the Government including national emergencies as well as political situation of the country, the meeting of the Commission could not take place regularly. NDMA will continue its efforts by requesting the higher forums for convening of the NDMC meetings in future.

The management reply was not tenable as the meeting National Disaster Commission was not held since 2018.

The PAO was requested to convene DAC meeting. However, the same was not convened till finalization of this report.

Audit recommends that meetings of National Disaster Management Commission may be held with regular interval for approval of National Plan and implementation and monitoring of disaster mitigation, preparedness and response polices as envisaged in NDMA Act 2010.

(Para No. 58 of NDMA F.Y 2023-24)

Chapter 3

Ministry of Climate Change and Environmental Coordination Islamabad

3.1 Introduction

A. The Government of Pakistan in exercise of the powers conferred by Articles 90 and 99 of the Constitution of Islamic Republic of Pakistan constituted the Ministry of National Disaster Management to handle the functions retained at the federal level after the 18th Amendment. The new Ministry was envisaged to act as a reporting agency for international /national commitments and coordinate to enable provinces to develop their capacities to effectively handle their responsibilities.

The Ministry of National Disaster Management was later renamed as Ministry of Climate Change owing to the magnitude and recurrence of climate change related disasters, such as consecutive floods of 2010, 2011 and 2012. The Ministry of Climate Change has been vested with the mandate to comprehensively address disaster management along with spearheading national climate change initiatives related to adaptation and mitigation. The Ministry of Climate Change was renamed as Ministry of Climate Change and Environmental Coordination vide Cabinet Secretariat (Cabinet Division) Government of Pakistan Memorandum dated 20.04.2023.

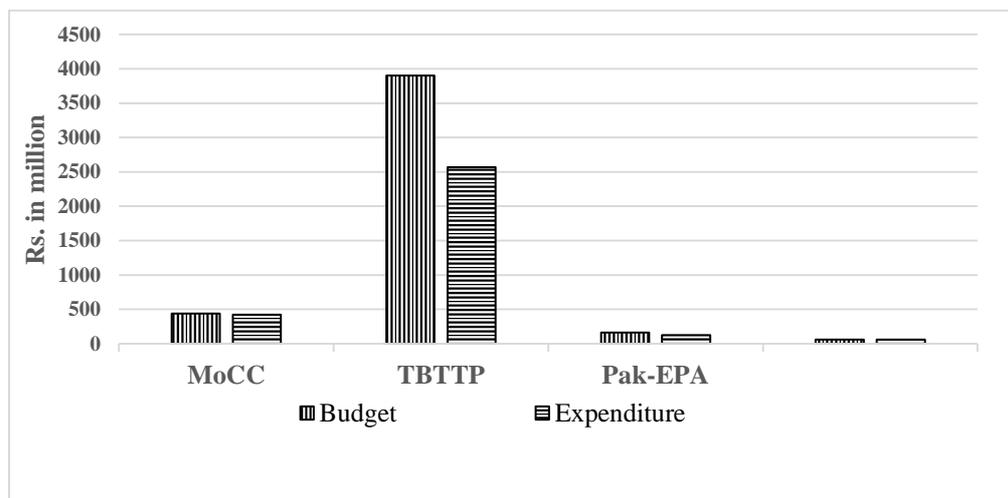
B. Comments on Financial Expenditure of audited formations

(Rs. in million)

Sr. No.	Name of Entity	Budget/ Releases	Expenditure	Lapse of funds/ Saving
1.	Ministry of Climate Change & Environmental Coordination (including PSDP schemes i.e. Capacity Building on Water Quality and Climate Resilient Urban Settlement Unit)	438.4	423.543	14.857
2.	Ten Billion Tree Tsunami Project (TBTP)	3,903.550	2,566.82	1,336.73
3.	Pakistan Environmental Protection Agency (including PSDP scheme i.e. PAK-BCH)	163.323	126.816	36.507
4.	Islamabad Wildlife Management Board (IWMB)	59.00	57.745	1.255
Total		4,564.273	3,174.924	1,388.622

Source: Budget and expenditure statements

The graphical representation of budget and expenditure of MoCC and its attached departments is as under:



C. Sectoral Analysis

The subject of environment and climate change has attracted the attention of policy makers worldwide in the last few decades. Due to drastic changes in the global climate and emerging threats, the governments around the world are focusing on policies and plans to mitigate risks as well as invest in different ventures for sustainable development.

According to Long Term Climate Risk Index (CRI), Pakistan was ranked amongst the top ten most climate change affected countries during 2000-2019¹⁴. The country is prone to a number of hazards such as floods, earthquakes, droughts, glacial lake outburst flood (GLOF) and landslides etc. In past, Pakistan has witnessed massive human, structural and financial losses e.g. the consecutive floods during 2010 to 2014 have resulted in monetary losses of over USD 18 billion with 38.12 million people affected, 3.45 million houses damaged and 10.63 million acres of crops destroyed. Agricultural sector growth dropped from 3.5% to 0.2% between 2009 and 2010 due to 2010 flood. Similarly, 1,200 people died in Karachi during unprecedented heat wave in 2015¹⁵.

In the aftermath of monsoon season 2022, massive rains and flash floods caused widespread damages impacting over 33 million people in Pakistan while the provinces of Sindh and Balochistan have been the most affected, all other provinces and regions were also affected at varying scales with massive damage to infrastructure and livelihood¹⁶. Hundreds and thousands of peoples were displaced with over 6.500 million homes washed away / damaged.

Pakistan is party to a number of regional and international environmental agreements and forums e.g. UNFCCC, UNCCD, Cartagena Protocol, Nagoya Protocol, CITES, IPBES, Ramsar Convention, Malé Declaration on Trans-boundary Air Pollution, SACEP, SAARC, UNEP, UN Habitat, UNICEF, UNCSD, GLOBE etc. Ministry of Climate Change works as a focal federal institution to fulfill international obligations under various

¹⁴Global Climate Risk Index 2021 (German Watch)

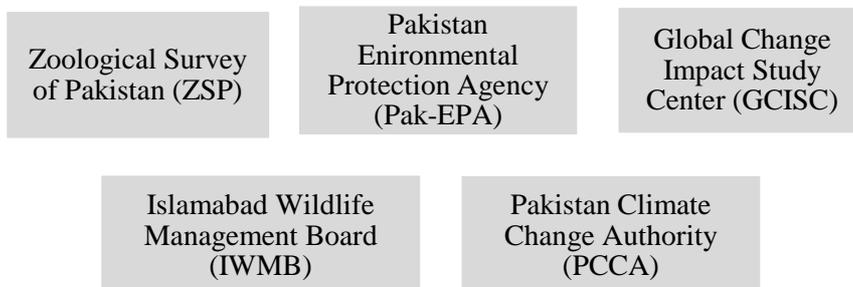
¹⁵ Pak INDC Report

¹⁶ <http://paistanconsultehuston.org/prime-ministers-flood-relief-fund-2022>

multilateral environmental agreements (Conventions, Protocols and Treaties etc.) to establish National Environmental Quality Standards and facilitate & harmonize environmental standards, laws, acts and policies at national level.

Attached Departments of Ministry of Climate Change and Environmental Coordination (MoCC&EC)

The Ministry of Climate Change carries out its functions through various attached departments as under:



PSDP allocation for FY 2023-24 & major projects / programs of MoCC&EC

Under the Federal PSDP 2023-24 for Climate Change Division, the total allocation was Rs. 9,500.00 million.¹⁷ The utilization of the funds and major PSDP projects / programs of MoCC&EC are tabulated below:

(Rs. in million)

Name of Office	Budget Allocation	Expenditure
Ten Billion Tree Tsunami Program (TBTP)	3,903.550	2,566.82
Capacity Building on water quality	26.500	21.58
Climate Resilient Urban Settlement Unit	20.950	15.413
Total	4,341.950	2,990.363

Source: Funds and expenditure statements provided by MoCC&EC

¹⁷ Federal PSDP 2022-23

Ten Billion Tree Tsunami Program (TBTP) is a major ongoing project of Ministry of Climate Change and Environmental Coordination in terms of budget and expenditure. An analysis of physical performance of forestry component of TBTP for the financial year 2019-20 to 2023-24 is as under:

(Rs. in million)

Province/ Territory	PC-Targets (2019-2023)	No. of plants (planted/ regenerated/distributed)					Total	%
		2019-20	2020-21	2021-22	2022-23	2023-24 (December 2023)		
1	2	3	4	5	6	7	8	9
Punjab	466	58.00	97.13	124.34	50.00	14.62	344.09	74%
Sindh	1000	180.23	223.04	320.00	71.50	21.40	816.17	82%
KP	1000	168.93	218.85	255.42	52.38	10.68	706.26	71%
Balochistan	100	3.35	2.72	0.45	0.22	1.06	7.80	7.8%
AJK	560	68.48	33.57	37.68	22.15	3.48	165.36	30%
GB	170	4.70	17.69	21.73	25.93	0.22	70.27	41%
Total	3,296	483.69	593	759.62	222.18	51.46	2109.95	64%

Source: Statement provided by TBTP management

Moreover, the Ministry has undertaken a number of foreign funded projects relating to a variety of issues concerning environment. The projects are detailed as under:

Sr. No.	Title
1.	Glacial Lake Outburst Flood (GLOF-II)
2.	Transforming the Indus Basin with Climate Resilient Agriculture and Water Management
3.	Pakistan Snow Leopard & Ecosystem Protection Program (PSLEP)
4.	National Ozone Unit

Source: <http://www.mocc.gov.pk>

Plans and Policies

The Ministry of Climate Change and Environmental Coordination (MoCC&EC) has formulated various policies/programs related to climate change and environmental issues. These include:

- i. National Action Program to Combat Desertification in Pakistan (2002)
- ii. National Environment Policy (2005)
- iii. National Water Policy (2005)
- iv. National Wetland Policy (2007)
- v. Drinking Water Policy (2009)
- vi. National Rangeland Policy (2010)
- vii. National Sanitation Policy (2012)
- viii. National Forest Policy (2016)
- ix. National Electronic Vehicle Policy (2019)
- x. National Climate Change Policy (2021)
- xi. National Biodiversity Strategies and Action Plan 2017-2030.

Source: <http://www.mocc.gov.pk>

Organizational Management and Governance

A sound organizational management and governance play a vital role in accomplishment of desired objectives. The findings of this report and previous audit reports indicate that the Government in Pakistan successfully installed a comprehensive governing framework related to environment and climate change. However, full benefits are still to be achieved due to non-operationalization and non-functioning of a number of important forums e.g. Pakistan Climate Change Authority. Moreover, key posts including Deputy Inspector General (Forest), Deputy Directors and Deputy Conservator were not filled. Non-appointment of key staff is likely to hamper the implementation of policies related to forest and achievement of stated objectives and targets related to environment and climate change in the country.

MoCC&EC executed a number of development schemes. However, the monitoring and evaluation of the schemes could not be carried out properly. The post of Chief Finance & Accounts Officer (CF&AO) could not be created even during financial year 2023-24 which was a violation of the PFM Act having consequences towards efficient financial management practices. Similarly, the post of Chief Internal Auditor was also not created in the Ministry

depriving the management to install, review and update effective internal control mechanisms.

Implementation

Ministry of Climate Change and Environmental Coordination is the apex policy making body which formulates policies related to environment and Climate Change. The implementation of these policies, programs and projects is the responsibility of a variety of implementation agencies at federal, provincial and district levels. These implementing agencies mainly include provincial Agriculture, Forest, Livestock, Fisheries & Irrigation Departments as well as the Federal & Provincial Environmental Protection Agencies. The cross-cutting nature of activities spanning over a number of agencies at various level of the government makes it difficult to effectively coordinate and follow-up the plans and program.

Table-I Audit Profile of Ministry of Climate Change and Environmental Coordination Islamabad and its Attached Departments / Agencies

(Rs. in million)

Sr. No.	Description	Total Nos.	Audited	Expenditure audited FY 2023-24	Revenue / Receipts audit FY 2023-24
1.	Formations	06	03	3,174.924	Nil
2.	<ul style="list-style-type: none"> • Assignment Account • SDAs • Others 	01 Nil 06	01 Nil 06	Nil Nil Nil	Nil Nil Nil
3.	Authorities / Autonomous Bodies etc. under the PAO	03	01	Nil	Nil
4.	Foreign Aided Project (FAP)	Nil	Nil	Nil	Nil

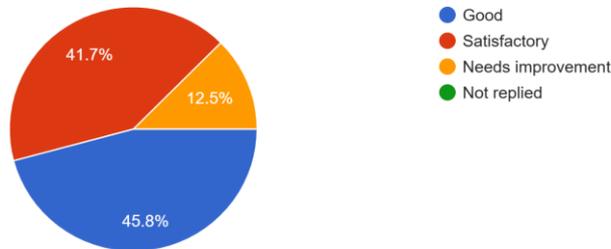
D. Survey Analysis on Islamabad Wildlife Management Board (IWMB)

A survey was conducted to assess the performance of Islamabad Wildlife Management Board (IWMB). Total 24 respondents participated and responded to the survey.

An analysis of the survey is given as under.

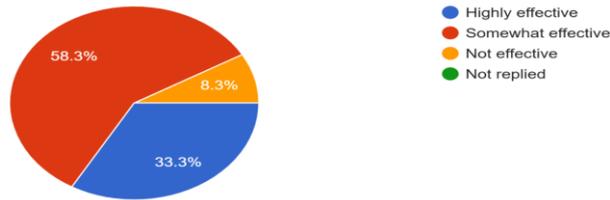
1. When asked “How would you rate the overall performance of IWMB in managing wildlife and natural areas in Islamabad?” In response, 45.8% of the respondents were of the view that performance is good while 41.7 % of the respondents opined that performance is satisfactory. 12.5% of respondents stated that performance needs improvements.

1.How would you rate the overall performance of IWMB in managing wildlife and natural areas in Islamabad?
24 responses



2. When asked “How effective has IWMB been in protecting endangered wildlife species in Islamabad?” In response, 58.3% of the respondents were of the view that IWMB has been somewhat effective in protecting endangered wildlife species in Islamabad whereas 33.3 % of respondents opined that IWMB has been highly effective in protecting endangered wildlife species in Islamabad. However, 8.3% of respondents disagreed with the other respondents and stated that IWMB has not been effective in protecting endangered wildlife species in Islamabad.

2. How effective has IWMB been in protecting endangered wildlife species in Islamabad?
24 responses



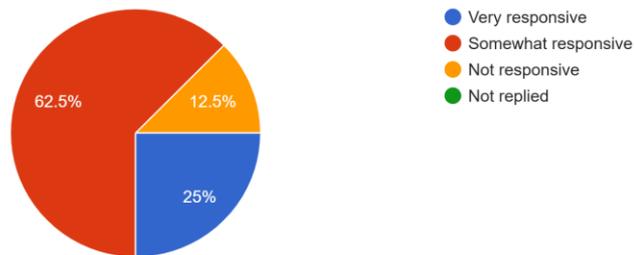
3. When asked “How would you evaluate IWMB's efforts in maintaining the cleanliness and accessibility of protected areas like the Margalla Hills National Park?” In response, 54.2% of the respondents were of the view that IWMB's efforts are adequate but needs improvement in maintaining the cleanliness and accessibility of protected areas like the Margalla Hills National Park whereas 37.5 % of respondents told that IWMB's efforts are adequate in maintaining the cleanliness and accessibility of protected areas like the Margalla Hills National Park and these areas are well maintained. However, 8.3% of respondents disagreed with other respondents and stated that IWMB's efforts are not adequate in maintaining the cleanliness and accessibility of protected areas like the Margalla Hills National Park and these areas are poorly maintained.

3. How would you evaluate IWMB's efforts in maintaining the cleanliness and accessibility of protected areas like the Margalla Hills National Park?
24 responses



4. When asked “How responsive has IWMB been in addressing human-wildlife conflicts (e.g., wildlife entering residential areas)?” In response, 62.5% of the respondents were of the view that IWMB has been somewhat responsive in addressing human-wildlife conflicts (e.g., wildlife entering residential areas) whereas 25 % of respondents opined that IWMB has been very responsive in addressing human-wildlife conflicts. However 12.5 % of respondents disagreed and stated that IWMB has not been responsive in addressing human-wildlife conflicts.

4. How responsive has IWMB been in addressing human-wildlife conflicts (e.g., wildlife entering residential areas)?
24 responses



5. When asked “Do you think IWMB effectively communicates with the public regarding its conservation efforts and activities?” In response, 54.2% of the view that IWMB somewhat effectively communicates with the public regarding its conservation efforts and activities, but more communication is needed whereas 20.8% of respondents stated that there is little communication between IWMB and the public regarding its conservation efforts and activities. 25 % of respondents stated that IWMB well communicates with the public regarding its conservation efforts and activities

5. Do you think IWMB effectively communicates with the public regarding its conservation efforts and activities?

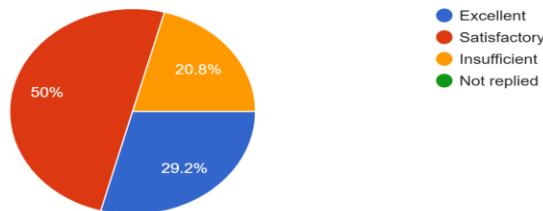
24 responses



6. When asked “How would you rate IWMB's initiatives to involve the public in eco-tourism and conservation activities?” In response, 50% of respondents were of the view that IWMB's initiatives to involve the public in eco-tourism and conservation activities is satisfactory. 29.2 % of respondents opined that IWMB's initiatives to involve the public in eco-tourism and conservation activities is excellent. However, 20.8 % of respondents stated that IWMB's initiatives to involve the public in eco-tourism and conservation activities are insufficient.

6. How would you rate IWMB's initiatives to involve the public in eco-tourism and conservation activities?

24 responses

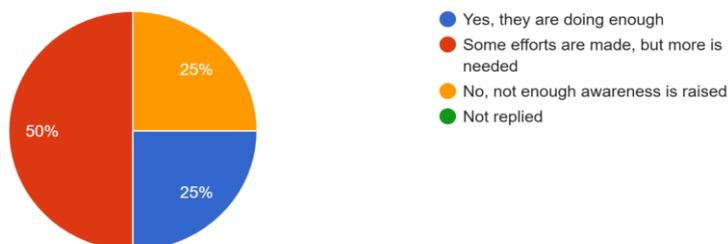


7. When asked “In your opinion, is IWMB doing enough to raise public awareness about wildlife protection and environmental conservation?” In response, 50% of respondents were of the view that some efforts are made but more is needed to raise public awareness about wildlife protection and environmental conservation whereas 25 % of respondents told that not enough

awareness was raised in this regard. 25 % of respondents stated that IWMB is doing enough to raise public awareness about wildlife protection and environmental conservation.

7. In your opinion, is IWMB doing enough to raise public awareness about wildlife protection and environmental conservation?

24 responses



3.2 Classified Summary of Audit Observations

Audit observations amounting to Rs. 59.932 million have been raised in this report pertaining to Ministry of Climate Change and Environmental Coordination and its attached departments/ formations. Recovery amounting to Rs. 16.321 million has been pointed out in the observations. Summary of audit observations classified by nature is as under:

Table –II Overview of Audit Observations

		(Rs. in million)
Sr. No.	Classification	Amount
1.	Internal controls	53.932
i.	Financial Management	11.326
ii.	Procurement management	31.769
iii.	HR management/Organizational Management	10.837
2.	Public Service Delivery / Performance	6.000
A	Disaster Risk Management (Response, Rescue, Recovery and Rehabilitation)	-
B	Climate Change and Environment Management	6.000
i.	Mitigation (Legal frame work, Governance & Impact)	-
ii.	Adaptation (Legal frame work, Governance & Impact)	6.000

3.3 Brief comments on the status of compliance with PAC directives

The Directorate General Audit (CC&E) Islamabad started auditing and reporting Ministry of Climate Change and Environmental Coordination Islamabad since 2018-19. Ten (10) Paras pertaining to the Audit Report of MoCC&EC for the Audit Year 2019-20 were discussed in the PAC meeting held on 25.11.2021. Current status of compliance with PAC directives for report discussed so far is given below:

Audit Report	Number of Audit Paras			Compliance		
	Discussed in PAC	Settled by PAC	Directives issued	PAC Directives fully implemented	PAC Directives partially implemented	Not Implemented
2019-20	10	03	07	02	03	02

The Ministry is required to fully implement the remaining PAC directives.

3.4 AUDIT PARAS

Financial Management

3.4.1 Unjustified payment and excessive electricity consumption at closed Zoo – Rs. 6.768 million

According to Rule 11 of GFR Vol-I, each head of a department is responsible for enforcing financial order and strict economy at every step. He is responsible for observance of all relevant financial rules and regulations both by his own office and by subordinate disbursing officers.

The Islamabad Zoo (formerly Marghazar Zoo) was closed in December 2020 and the management was transferred to the Islamabad Wildlife Management Board (IWMB) in July, 2020.

During audit of the IWMB for the financial years 2022-23 and 2023-24, it was observed that IWMB paid Rs. 3.700 million to IESCO vide cheque No. 523906, dated 14.06.2024, for outstanding electricity bills of the old Islamabad Zoo. The record further revealed that:

- i. Electricity bills had not been paid since June 2023, resulting in a total liability of Rs. 6.768 million by June 2024. Out of this amount, Rs. 3.700 million was paid during June 2024, leaving an outstanding balance of Rs. 3.068 million.
- ii. The Zoo, despite being closed, showed excessive electricity consumption, averaging 5,377 units per month. This excessive consumption was not justified or explained during the audit.

Details are provided at annexure-XVIII.

Audit held that excessive electricity consumption and payment of bills while the zoo was closed is a serious lapse on the part of management.

The initial audit observation was issued on 26.08.2024. The management replied that Marghazar Zoo was handed over to the IWMB on 23.06.2021, as per Federal Cabinet and IHC directives (IHC W.P. 1155/2019), with IWMB repurposing the site for office space and a rescue center. However, the zoo's electricity expenses were not included in IWMB's regular budget.

IWMB included these expenses in the PC-I for the "Margallah Wildlife Centre," submitted to the MoCC for fiscal years 2022, 2023, and 2024, though it remains unapproved. Consequently, in FY 2023-24, IWMB opted to cover part of the electricity costs from its own budget.

The reply was not acceptable as the audit observations were not properly addressed.

The management was requested to convene DAC meeting vide letters dated 28.10.2024, 12.11.2024 and 14.01.2025. However, no DAC meeting was convened till finalization of this report.

Audit recommends that matter may be probed to fix responsibly under intimation to audit.

(Para No. 6 of AIR 2023-24, IWMB)

3.4.2 Unauthorized expenditure from Public Account – Rs 2.685 million

According to Para 11 of GFR Vol-I, each head of a department is responsible for enforcing financial order and strict economy at every step. He is responsible for observance of all relevant financial rules and regulations both by his own office and by subordinate disbursing officers.

Islamabad Wildlife Management Board (IWMB) received an amount of Rs. 6.128 million as donations etc. in its private account maintained with National Bank of Pakistan (NBP) A/c No. 4137577921 during the financial year 2022-23 to 2023-24. Out of this amount, Rs 2.685 million were incurred in the following heads:

Sr. No.	Head	Amount (Rs.)	
		FY 2022-23	FY 2023-24
1.	Pay / wages of daily labour	341,433	1,904,000
2.	Pay	0	120,919
3.	POL	319,380	0
Total		660,813	2,024,919
Grand Total		2,685,732	

During audit of Islamabad Wildlife Management Board (IWMB) for the financial year 2022-23 and 2023-24, it was observed that payment for daily

wage labour and fuel etc. were made using funds from a private account despite provision of funds under regular budget for these activities.

Audit held that expenditure from a private account for activities/expenditure already included in the regular budget was unauthorized.

The initial audit observation was issued on 26.08.2024. The management replied that POL expenses for the month of July were covered from the public account as IWMB's first-quarter budget release was still pending, and funds were urgently needed for daily patrols. Additionally, due to austerity measures, DPL salaries were paid from IWMB's private account since the assignment account could not be used. The Board approved covering these salaries from private funds in line with IWMB accounting procedures.

The reply was not acceptable because regular budget was being provided to IWMB for the same activities and utilization of funds from public account for these activities was unauthorized.

The management was requested to convene DAC meeting vide letters dated 28.10.2024, 12.11.2024 and 14.01.2025. However, no DAC meeting was convened till finalization of this report.

Audit recommends that the public account may be used for authorized purposes only and the amount may be refunded to the public fund.

(Para No. 7 of AIR 2023-24, IWMB)

3.4.3 Non-recovery of excess payment from the vendor – Rs. 1.873 million

According to Para 26 of General Financial Rules (GFR) Vol-I, it is the duty of the departmental Controlling officers to see that all sums due to Government are promptly realized and duly credited in the Public Account.

National Strategic Support Unit of Ten Billion Tree Tsunami Program (NSSU-TBTTP) under the Ministry of Climate Change and Environmental Coordination (MoCC&EC) made an excess payment of Rs. 1,873,000 to M/s Indus Motor Company on account of purchase of 23 double cabin vehicles during the FY 2019-20.

During audit of NSSU-TBTTP for the financial year 2023-24, it was observed that M/s Indus Motors Company submitted a cheque No. 134072233 dated 19.05.2021 for the refund of the excess amount of Rs. 1,818,574. However, the cheque was neither deposited into the TBTTP account nor encashed before it lapsed. As such, the recovery could not be realized. No effort to recover the amount from the vendor was available on record.

Audit held that the non-encashment and deposit of the cheque was lapse on the part of management of NSSU-TBTTP, leading to a failure in recovering the excess payment from M/s Indus Motors Company.

The initial audit observation was issued on 26.08.2024. The management replied that a cheque was received from Garden Motors Lahore but the same could not be cleared because the program has no separate bank account.

The reply was not satisfactory because the recovery was not made despite lapse of more than three years.

The management was requested to convene DAC meeting vide letters dated 28.10.2024, 12.11.2024 and 14.01.2025. However, no DAC meeting was convened till finalization of this report.

Audit recommends that excess amount may be recovered at the earliest under intimation to audit.

(Para No. 33 of AIR 2023-24, MOCC)

Procurement Management

3.4.4 Irregular procurements without open competition and irregular pre-qualification process in violation of Public Procurement Rules, 2004 - Rs 22.094 million

According to Rule 9 of Public Procurement Rules, 2004, a procuring agency shall announce in an appropriate manner all proposed procurements for each financial year and shall proceed accordingly without any splitting or regrouping of the procurements so planned. The annual requirements thus determined would be advertised in advance on the Authority's website as well

as on the website of the procuring agency in case the procuring agency has its own website.

Furthermore, Rule 12 of Public Procurement Rules, 2004 provides that procurements over five hundred thousand Pakistani Rupees and up to the limit of three million Pakistani Rupees shall be advertised on the Authority's website in the manner and format specified by regulation by the Authority from time to time. These procurement opportunities may also be advertised in print media, if deemed necessary by the procuring agency.

Ministry of Climate Change and Environmental Coordination (MoCC&EC) made procurements of Rs. 22.094 million during the financial year 2023-24. The detail is as under:

(Rs. in million)		
Sr. No.	Head of Account	Expenditure
1.	Purchase of Stationary	7.957
2.	Others Miscellaneous	5.627
3.	Repair of Transport	2.962
4.	Repair of Machinery & Equipment	2.404
5.	Repair of Furniture & Fixture	1.363
6.	Purchase of Computer Stationary, others	1.781
Total		22.094

During audit of Ministry of Climate Change and Environmental Coordination for the financial year 2023-24, it was observed that:

- i. The procurements were split into smaller segments and made through quotations, avoiding open competition, in violation of the Public Procurement Rules 2004, which require adherence to open competitive bidding to ensure transparency and fairness.
- ii. There was no record of calls for quotations from all pre-qualified vendors. This shows that all the prequalified vendors were not given equal opportunity to participate in procurements indicating a lack of transparency and fairness in the procurement process.

- iii. Quotations were obtained from selected vendors, with the majority of procurements consistently made from a few vendors, raising concerns about favouritism and undermining the principles of competitive bidding.
- iv. Provisional Annual estimates were not formulated and the process of pre-qualification was initiated without preparation of Provisional Annual Estimates resulting in violation of Rule 16(2) of PPR 2004.
- v. The MoCC&EC called for the pre-qualification of bidders and specified the required documents. However, there was no clear evaluation criteria regarding the assignment of marks for prerequisites or the minimum marks required for pre-qualification.
- vi. Minutes of the pre-qualification committee meeting indicated that some bidders were qualified while others were disqualified. However, the basis for these decisions, including the highest and lowest marks obtained, was not provided.

Audit held that the practice of splitting procurements violated Rule 9 and Rule 12 of the Public Procurement Rules 2004. Furthermore, prequalification of the vendors was made in violation of Public Procurement Rules 2004.

The initial audit observation was issued on 29.07.2024. However, no reply was received till finalization of this report.

The management was requested to convene DAC meeting vide letters dated 28.10.2024, 12.11.2024 and 14.01.2025. However, no DAC meeting was convened till finalization of this report.

Audit recommends that an inquiry may be conducted to investigate the matter and fix responsibility on the persons at fault. Additionally, internal controls may be revisited and strengthened to avoid such lapses in future.

(Para No. 9 of AIR 2023-24, MOCC)

3.4.5 Non-formulation of annual procurement plan and procurement in piecemeal - Rs. 9.675 million

According to Rule 08 of Public Procurement Rules, 2004, all procuring agencies shall devise a mechanism, for planning in detail for all proposed procurements with the object of realistically determining the requirements of the procuring agency, within its available resources, delivery time or completion date and benefits that are likely to accrue to the procuring agency in future.

Furthermore, according to Rule 09 of Public Procurement Rules, 2004, a procuring agency shall announce in an appropriate manner all proposed procurements for each financial year and shall proceed accordingly without any splitting or regrouping of the procurements so planned. Furthermore, according to Rule 12, procurements over five hundred thousand Rupees and up to the limit of three million Pakistani Rupees shall be advertised on the Authority's website. These procurement opportunities may also be advertised in print media if deemed necessary by the procuring agency.

National Strategic Support Unit of Ten Billion Tree Tsunami Program (NSSU-TBTTP) under the Ministry of Climate Change and Environmental Coordination (MoCC&EC) incurred an expenditure amounting to Rs. 9.674 million on procurement under various heads of accounts during financial year 2023-24.

During audit of NSSU-TBTTP for the financial year 2023-24, it was observed that:

- i. The annual procurement plan was neither prepared nor uploaded on the MOCC&EC/TBTTP and PPRA websites within one month from the commencement of the financial year, as required under rules.
- ii. Procurement amounting to Rs. 9.674 million during the financial year 2023-24 was made in a piecemeal manner through splitting to avoid open competition. Details are at annexure-XIX.
- iii. Quotations were obtained from selected vendors. Majority of procurement were made from one vendor i.e. M/s Shirgri Builders.

- iv. Call for quotation letters were not available on record, making it challenging to ascertain the fairness and transparency of the procurement process.

Audit held that non-formulation of annual procurement plan and procurement by way of splitting was violation of rules.

The initial audit observation was issued on 26.08.2024. The management replied that Tender/Pre-Qualification was processed but the same was turned down by PPRA and directed to process through EPADs. The nominations for training of program staff were sent to PPRA which was held in July 2024 after the close of financial year. In order to implement the program activities, the procurement was made as per the PPRA limit by obtaining quotations from the open market. In most of the cases M/s Shigri Builders was selected being the lowest vendor. Obtaining of quotations through call for quotation letter is noted for future compliance.

The reply was not satisfactory because no documentary evidence in support of reply was provided.

The management was requested to convene DAC meeting vide letters dated 28.10.2024, 12.11.2024 and 14.01.2025. However, no DAC meeting was convened till finalization of this report.

Audit recommends that the practice of splitting may be discouraged and responsibly be fixed for the violation of rules. Also, annual procurement plan may be prepared and implemented.

(Para No. 28 of AIR 2023-24, MOCC)

HR management/Organizational Management

3.4.6 Unauthorized hiring of daily wagers staff and payment thereof – Rs. 8.448 million

According to Regulation 27 of Financial Management and Powers of Principal Accounting Officers Regulations, 2021, the Finance Division shall approve appointment of contingent paid staff within the budgetary provisions and as per the instructions issued from time to time.

Furthermore, according to Finance Division Government of Pakistan vide letters dated 25.05.2023 and 06.06.2024, approval for hiring of Daily Paid Labour (DPL) during the FY 2022-23 and 2023-24 was accorded for the period of three months (April-June), as under:

Financial year	No. of DPL	Rate per DPL (Rs.)	Estimated Cost (Rs.)	Period
2022-23	60	30,000	5,400,000	April-June
2023-24	50	-	-	April-June

Islamabad Wildlife Management Board (IWMB) hired daily paid labour (DPL) and incurred an amount of Rs. 12.058 million during the period 2022-23 and 2023-24. The payment was made from assignment account and the private account as under:

FY	Assignment Account (Rs.)	Private Account (Rs.)	Total (Rs.)
2022-23	3,669,780	341,433	4,011,213
2023-24	6,079,066	1,968,000	8,047,066
Total	9,748,846	2,309,433	12,058,279

During audit of Islamabad Wildlife Management Board (IWMB) for the financial year 2022-23 and 2023-24, it was observed that:

- i. IWMB hired and paid 61 DPL staff during the FY 2022-23 and 2023-24 against the approved strength of 60 and 50 DPLs for the year 2022-23 and 2023-24 respectively.
- ii. 11 DPL staff remained hired and were paid salaries throughout the years 2022-23 and 2023-24 without approval of the Finance Division.
- iii. The payment was made @ Rs. 32,000 per month to the DPL against sanctioned amount of Rs. 30,000 per month each.
- iv. The salary of DPL was also paid from a private account which was meant for donations / receipts etc.

Audit held that appointment of daily wages staff in violation of instructions of Finance Division was irregular which resulted into unauthorized payment of Rs. 8.448 million. Details are attached at annexure-XX.

The initial audit observation was issued on 26.08.2024. The management replied that DPL staff was hired for three months after the approval of IWMB Board under Rule 4(vi) of the Islamabad Wildlife Rules 1983. Approval of Finance Division for hiring of DPL were also obtained. The staff were employed on a muster roll (not on a contract basis) for three months, with 11 positions approved by the Board and payments arranged through IWMB's private account.

The reply was not acceptable because hiring of DPL was made in excess of that approved by Finance Division. Moreover, the approval was granted for three months only whereas 11 DPL staff were paid throughout the years 2022-23 and 2023-24. Furthermore, no reply was provided with regard to payment of wages over and above approved rates.

The management was requested to convene DAC meeting vide letters dated 28.10.2024, 12.11.2024 and 14.01.2025. However, no DAC meeting was convened till finalization of this report.

Audit recommends to fix responsibility for this lapse.

(Para No. 4 of AIR 2023-24, IWMB)

3.4.7 Unjustified appointments in violation of the instructions of Establishment Division resulting deprivation of the eligible candidates

According to the Cabinet Secretariat, Establishment Division, Government of Pakistan's Office Memorandum No. F-53/1/2008-SP dated 16.01.2015, (Recruitment policy for Federal Services and Autonomous Bodies), the procedure for appointing candidates involves several steps. After a screening test, shortlisted candidates are to be interviewed. The DSC is responsible for evaluating applicants based on the following criteria:

1. The score in the screening test accounts for 70% of the total weightage.
2. The remaining 30% weightage is allocated as Chairman: 40% and two members @ 30% each. Furthermore, the DSC shall assess the candidates based on:
 - i. Relevant qualifications/experience: 30%
 - ii. Knowledge/skill relevance: 40%
 - iii. Personal/interpersonal communication skills: 30%

Pakistan Environmental Protection Agency (Pak-EPA), Islamabad made appointments against regular and project posts during the financial year 2023-24. The merit list was prepared based on aggregate marks i.e. written test marks plus interview marks. The candidates with higher aggregate marks on merit list were appointed against the respective posts.

During audit of Pak-EPA Islamabad for the financial year 2023-24, it was observed that the required weightage method i.e. 70% for the written test and 30% for the interview was not applied. Instead, appointments were made based on the total marks of the written test and interview. This approach led to the rejection of candidates who had higher weighted scores under the correct method. The detail is as under:

a. Regular appointments:

Position	Name	Aggregate method (Written test + interview)	Weightage method (70% + 30%)	Remarks
Assistant (BS-15)	Muhammad Kamran Ali	79.00	50.10	Rejected
	Muhammad Talal Majeed	76.50	48.35	Rejected
	Ms. Ayeza	83.00	47.30	Appointed
Computer Programmer (BS-15)	Zain ul Abideen	74.00	43.40	Rejected
	Muhammad Ovais Yusaf	77.00	43.10	Appointed
Assistant Inspector (BS-11)	Khadija Shabir	67.00	40.50	Rejected
	Muhammad Usama	73.00	39.90	Appointed

b. Project appointments:

Posts	Name	Aggregate method (Written test + interview)	Weightage method (70% + 30%)	Remarks
Research Assistant (PPS-6)	Ms. Sana Yaqoob	156.00	81.20	Rejected
	Muhammad Dawood	158.00	80.60	Rejected
	Saboor Bunny	159.00	79.30	Appointed
Field Coordinator (PPS-6)	Ms. Sana Yaqoob	156.00	81.20	Rejected
	Ms. Atiqa Rehman	156.00	81.20	Rejected
	Ibrahim Khan	158.00	74.60	Appointed
	Maaz Iqbal	162.00	77.40	Appointed
IT Officer (PPS-6)	Mrs. Kainat Mumraiz	161.00	82.70	Appointed
	Abdullah Israr	154.00	77.80	Rejected
	Burhan ud Din	164.00	76.80	Appointed

Detailed comparison is provided at annexure-XXI.

Audit held that candidates with higher weightage were unfairly overlooked, compromising the integrity and fairness of the recruitment process.

The initial audit observation was issued on 26.08.2024. It was replied that regular appointments for vacant positions at Pak-EPA (Assistant BS-15, Assistant Computer Programmer BS-15, and Assistant Inspector BS-11) were on merit, with selection criteria including 100 marks for the written test and 30 marks for the interview.

The reply of the management was not satisfactory because merit list was prepared in violation of the instructions of Establishment Division, Government of Pakistan's Office Memorandum dated 16.01.2015, and resultantly eligible candidates were unfairly overlooked, compromising the integrity and fairness of the recruitment process. Furthermore, no reply as to the appointments made under PSDP project was provided.

The management was requested to convene DAC meeting vide letters dated 28.10.2024, 12.11.2024 and 14.01.2025. However, no DAC meeting was convened till finalization of this report.

Audit recommends that an inquiry be conducted to fix responsibility. Moreover, corrective measures be taken to ensure adherence to the prescribed recruitment policies.

(Para No. 17 of AIR 2023-24, Pak-EPA)

3.4.8 Unmerited appointments of project staff due to test score manipulation and qualification violations – Rs. 2.389 million

According to the Cabinet Secretariat, Establishment Division, Government of Pakistan's Office Memorandum No. F-53/1/2008-SP dated 16.01.2015, after screening test, shortlisted candidates are to be interviewed following the verification of their academic and professional credentials. The Departmental Selection Committee (DSC) is responsible for evaluating applicants based on the following criteria:

1. The score in the screening test accounts for 70% of the total weightage.
2. The remaining 30% weightage is allocated as Chairman: 40% and Two Members @ 30% each. Furthermore, the DSC shall assess the candidates based on:

i. Relevant qualifications/experience:	30%
ii. Knowledge/skill relevance:	40%
iii. Personal/interpersonal communication skills:	30%

Pakistan Environmental Protection Agency (Pak-EPA) Islamabad conducted written tests and interviews for various posts under the PC-I titled 'Bio Safety Clearing House (Pak-BCH) for GMOs Regulations' and appointments were made against respective positions. An amount of Rs. 2.389 million was paid to these project employees upto June 2024.

During the audit of Pak-EPA Islamabad for the financial year 2023-24, it was observed that unmerited appointments were made by manipulating test scores/merit lists and ignoring the required qualifications under the PC-I in the following cases:

- i. Mr. Muhammad Rauf was appointed as Deputy Director Technical (SPS-8). His test score was manipulated from 57 to 74, while the rightful candidate, Mr. Arslan Asim, was unfairly displaced.

- ii. Mrs. Kainat Mumraiz's test score was manipulated from 66 to 86 by altering the answer sheet, securing her appointment as IT Officer (SPS-6). This led to the unjust displacement of the rightful candidate who had scored 79 marks.
- iii. Ms. Nazima Shaheen was appointed as Research Assistant (SPS-6) despite not being shortlisted for the test. Her test score was manipulated from 47 to 85. She also lacked the required qualifications.
- iv. Ms. Fariya Baig was appointed as Inspector/Field Officer (SPS-5). She holds does not meet the qualifications as required under PC-I.

The details are attached at annexure-XXII.

Audit held that unmerited appointments through manipulation of test scores and without fulfilling the required qualification raise serious concerns about the fairness and transparency of the recruitment process.

The initial audit observations were issued on 26.08.2024. However, no reply was received till finalization of this report.

The management was requested to convene DAC meeting vide letters dated 28.10.2024, 12.11.2024 and 14.01.2025. However, no DAC meeting was convened till finalization of this report.

Audit recommends a thorough investigation into all appointments made, with responsibility fixed and corrective measures implemented to ensure adherence to prescribed recruitment policies.

(Para No. 18,19,21 &22 of AIR 2023-24, Pak-EPA)

3.4.9 Unjustified appointments of Deputy Director A&F (SPS-8) and Law Officer (SPS-7) without written/screening test and other irregularities

According to the Cabinet Secretariat, Establishment Division, Government of Pakistan's Office Memorandum No. F-53/1/2008-SP dated 16.01.2015, (Recruitment policy for Federal Services and Autonomous

Bodies), after a screening test, shortlisted candidates are to be interviewed. The DSC is responsible for evaluating applicants based on the following criteria:

1. The score in the screening test accounts for 70% of the total weightage.
2. The remaining 30% weightage is allocated as Chairman: 40% and two members @ 30% each. Furthermore, the DSC shall assess the candidates based on:
 - i. Relevant qualifications/experience: 30%
 - ii. Knowledge/skill relevance: 40%
 - iii. Personal/interpersonal communication skills: 30%

In addition to the above, Para 1(c) of the above Office Memorandum provides that while considering suitability for particular jobs, objective type tests will be organized through testing agency with prior permission of the Establishment Division.

Pakistan Environmental Protection Agency (Pak-EPA), Islamabad advertised various posts, including the posts of Deputy Director A&F (SPS-8) and Law Officer (SPS-7), under the PC-I titled 'Bio Safety Clearing House (Pak-BCH) for GMOs Regulations' through the National Job Portal on 08.11.2023. Various candidates applied for the said posts. Pak-EPA shortlisted the candidates for written test/ interview against each post as under:

Post	No. of candidates applied	No. of candidates shortlisted
Deputy Director A&F (SPS-8)	541	16
Law Officer (SPS-7)	210	23

During audit of Pak-EPA Islamabad for the financial year 2023-24, the following irregularities related to appointment of Deputy Director A&F (SPS-8) and Law Officer (SPS-7) were observed:

- i. Contrary to the instructions of the Cabinet Secretariat, Establishment Division, no written/screening test was conducted and the positions were filled based solely on interviews.

- ii. For the Deputy Director A&F (SPS-8) position, the required qualification as per the approved PC-I and advertisement, was a Second Class or Grade C Master's degree in Public/Business Administration, Project Management, Agriculture, Economics, M.Com, or a related field. However, the appointed individual holds an LLB degree, which does not meet the stipulated criteria.
- iii. For the Law Officer (SPS-7) position, the PC-I and advertisement requires five (05) years of relevant experience. However, no documentation of the appointed individual's experience was available.
- iv. The allocation of interview weightage to the Chairman and members of the DSC was not mentioned.
- v. The merit list reflected lump sum scores instead of detailed evaluations by the Chairman and each member based on qualifications, knowledge/skills and communication abilities.

Audit held that appointments without conducting written/screening test, hiring of individuals lacking the required qualifications and experience and failing to properly document interview scores constitute serious violations of established recruitment procedures.

The initial audit observation was issued on 26.08.2024. However, no reply was received till finalization of this report.

The management was requested to convene DAC meeting vide letters dated 28.10.2024, 12.11.2024 and 14.01.2025. However, no DAC meeting was convened till finalization of this report.

Audit recommends that an inquiry be conducted to fix responsibility. Moreover, corrective measures be taken to ensure adherence to the prescribed recruitment policies.

(Para No. 20 of AIR 2023-24, Pak-EPA)

3.4.10 Irregular appointments of regular and project staff by Pak-EPA without prior permission of Establishment Division and related procedural violations

According to the Cabinet Secretariat, Establishment Division, Government of Pakistan's Office Memorandum No. F-53/1/2008-SP dated 16.01.2015, after screening test, shortlisted candidates are to be interviewed following the verification of their academic and professional credentials. The Departmental Selection Committee (DSC) is responsible for evaluating applicants based on the following criteria:

1. The score in the screening test accounts for 70% of the total weightage.
2. The remaining 30% weightage is allocated as Chairman: 40% and Two Members @ 30% each. Furthermore, the DSC shall assess the candidates based on:
 - i. Relevant qualifications/experience: 30%
 - ii. Knowledge/skill relevance: 40%
 - iii. Personal/interpersonal communication skills: 30%

In addition to the above, Para 1(c) of the above Office Memorandum provides that while considering the suitability for particular job, objective type tests will be organized through testing agency with prior permission of the Establishment Division.

Pakistan Environmental Protection Agency (Pak-EPA) made appointments of regular staff and project staff (38) during the year 2023-24.

During audit of Pak-EPA Islamabad for the financial year 2023-24, the record related to appointments revealed following shortcomings:

- i. There was a complete ban on the creation of posts under PSPD/regular budget vide Finance Division letter dated 20.02.2024. However, no approval / relaxation from the Finance Division was obtained/provided to audit.

- ii. Prior permission of Establishment Division for appointments was not obtained.
- iii. A selection committee consisting of six (06) members was constituted who conducted the interviews. However, the allocation of marks to the Chairman and members of the committee was not mentioned.
- iv. Allocation of numbers by interview committee to the candidates based on their knowledge/skill and personal/interpersonal communication skills was not available. Contrary to the same, a lump sum score was recorded in the merit list.
- v. The appointments were made on aggregate marks obtained (written test + interview) instead of weightage method i.e. 70% written test marks and 30% in violations of the instructions of Establishment Division.
- vi. The matter was not referred to Monitoring Committee appointed by the Establishment Division vide Office Memorandum dated 16.01.2015.
- vii. Verification of academic and professional credentials was to be carried out before the appointment, which was not the case.

Audit held that in view of the above shortcomings, the appointments made were deemed irregular.

The initial audit observation was issued on 26.08.2024. It was replied that regular appointments of Pak-EPA's staff have been made with the approval of Election Commission of Pakistan and Establishment Division.

The reply of the management was not relevant as approval of the Establishment Division was not obtained. Moreover, no reply to the observations at Sr. No. ii. to vii of the Para was provided.

The management was requested to hold DAC meeting vide letters dated 28.10.2024, 12.11.2024 and 14.01.2025. However, no DAC meeting was convened till finalization of this report.

Audit recommends that an inquiry be conducted to fix responsibility. Moreover, corrective measures be taken to ensure adherence to the prescribed recruitment policies.

(Para No. 23 of AIR 2023-24, Pak-EPA)

3.4.11 Non-preparation and publishing of Annual National Environmental Report on the state of the environment

According to the Section 6(1)(d) of the Pakistan Environmental Protection Act 1997, the Pakistan Environmental Protection Agency shall prepare and publish an Annual National Environmental Report on the state of environment.

Pakistan Environmental Protection Agency (Pak-EPA), Islamabad was required to prepare and publish an annual National Environmental Report on the state of environment.

During audit of Pak-EPA Islamabad for the financial year 2023-24, it was observed that Pak-EPA did not prepare and publish the Annual National Environmental Reports on the state of environment for the period 2021-22, 2022-23 and 2023-24.

Audit held that non-preparation and publishing of Annual National Environmental Reports deprived the management of a road map for environmental protection.

The initial audit observation was issued on 26.08.2024. It was replied that Pak-EPA has completed the annual National Environmental Report and submitted the final draft to the Director General. However, publication has been delayed due to the need for additional data.

The reply of the management because the Environmental reports for the year 2021-22, 2022-23 and 2023-24 could not be published till September 2024 which constitutes the violation of Act.

The management was requested to convene DAC meeting vide letters dated 28.10.2024, 12.11.2024 and 14.01.2025. However, no DAC meeting was convened till finalization of this report.

Audit recommends that necessary steps may be taken for timely preparation and publication of Annual National Environmental Reports.

(Para No. 16 of AIR 2023-24, Pak-EPA)

3.4.12 Non-convening of the meetings of Federal Forestry Board and non-formulation of Action Plan for implementation of the National Forest Policy

According to Para 3 of Notification No. 3-3/2005-AIGF dated 10.09.2018, the Federal Forestry Board shall meet at least twice a year. Furthermore, according to para 2 (b) of notification, ToRs for the Federal Forestry Board included review of implementation on National Forest Policy and remove constraints that impede progress in realizing policy objectives.

According to para 11(i) of National Forest Policy – 2015, Ministry of Climate Change shall develop, in consultation with all stakeholders, an action plan for implementation of the National Forest Policy. The action plan will assign specific responsibilities to stakeholders with quantifiable targets to be achieved within a given timeframe.

Ministry of Climate Change and Environmental Coordination (MoCC & EC) formulated a National Forest Policy (NFP) in 2015. The approval of the NFP was granted by Council of Common Interest in the meeting held on 25.08.2017. Federal Forestry Board (FFB) was also reactivated with certain ToRs vide Ministry of Climate Change Notification No. 3-3/2005-AIGF dated 10.09.2018.

During audit of Ministry of Climate Change and Environmental Coordination for the financial year 2023-24, it was observed that:

- i. No meeting of the FFB was convened during the FY 2023-24. The 6th and the last meeting of the FFB was held on 10.01.2022.
- ii. The constitution of national and provincial NFP implementation committees was not available on record.
- iii. Six monthly reports regarding implementation of NFP to be submitted to Federal Forestry Board (FFB) were also not available.

- iv. Policies, Act, Rules and Regulations formulated by the Federal and Provincial governments were not presented in Federal Forestry Board (FFB) for due diligence and regulate Inter-provincial timber movement, commerce & trade as conceived in the NFP.

Audit held that non-convening of FFB meetings and implementation of NFP was a serious lapse on the part of management.

The initial audit observation was issued on 29.07.2024. However, no reply was received till finalization of this report.

The management was requested to convene DAC meeting vide letters dated 28.10.2024, 12.11.2024 and 14.01.2025. However, no DAC meeting was convened till finalization of this report.

Audit recommends that meetings of Federal Forestry Board may be held at regular intervals. Additionally, formulation and implementation of a comprehensive action plan for the National Forest Policy be ensured along with robust monitoring mechanisms.

(Para No. 8 of AIR 2023-24, MOCC)

3.4.13 Non-approval of Accounting Procedure from Auditor-General of Pakistan

According to Article 170 of the Constitution of Islamic Republic of Pakistan, the Auditor-General can prescribe detailed policies and procedures in respect of reporting requirements of the self-accounting entities.

Furthermore, Para 1.4.4.6 of Accounting Policies and Procedural Manual (APPM) provides that the self-accounting entities may formulate detailed accounting policies and procedures in pursuance of the MAP with the approval of the Auditor-General of Pakistan.

Islamabad Wildlife Management Board (IWMB) is maintaining two separate accounts i.e. assignment account and a private account meant for donation and other receipts etc. IWMB prepared accounting procedure for operation of these accounts.

During audit of Islamabad Wildlife Management Board (IWMB) for the financial year 2022-23 and 2023-24, it was observed that:

- i. The approval of accounting procedure from Auditor-General of Pakistan was not available/provided.
- ii. The notified copy of the IWMB Accounting Procedure by Finance Division was not available.
- iii. Specific instructions for incurrence of expenditure out of private account were not available.
- iv. The accounting procedure does not outline the preparation of annual financial statements of IWMB.

Audit held that deficiencies in the accounting procedure is serious lapse on the part of the management which resulted into lack of transparency, accountability and compliance with established procedures.

The initial audit observation was issued on 26.08.2024. The management replied that IWMB has requested the Finance Division to issue a notified copy and obtain the AGP's approval for its accounting procedures. Furthermore, as per Rule 6 of the Islamabad Wildlife Rules 1983, the Board has the powers to collect donations and incur expenditure out of private fund.

The reply was not satisfactory because the accounting procedure was not approved from the competent forum. Furthermore, there were no specific instructions for incurrence of expenditure out of private account in the provided document.

The management was requested to convene DAC meeting vide letters dated 28.10.2024, 12.11.2024 and 14.01.2025. However, no DAC meeting was convened till finalization of this report.

Audit recommends that accounting procedure may be revised and got approved by office of the Auditor-General of Pakistan.

(Para No. 3 of AIR 2023-24, IWMB)

Disaster Risk Management (Response, Rescue, Recovery and Rehabilitation)

3.4.14 No achievement of progress on implementation framework of National Climate Change Policy

According to Para 11 of National Climate Change Policy 2021, to ensure effective Policy implementation and to oversee progress in this regard, “Climate Change Policy Implementation Committees (CCPIC)” shall be established at the federal and provincial levels. One of the tasks of these committees shall be regular monitoring and updating of the National Climate Change Policy at appropriate intervals. Furthermore, according to Para 11 (II), the National and Provincial Climate Change Policy Implementation Committees shall meet biannually. The Provincial Committees, which will be the key actors in implementation of the proposed climate change agenda, shall report the status of implementation of the Policy to the National Committee. The National Committee shall report to the “Prime Minister’s Committee on Climate Change” on a regular basis. Moreover, according to para 11 (I), the Federal Government shall assist the provinces to develop their “Action Plans”. All relevant ministries, departments and agencies shall also devise plans and programs to implement the policy provisions relating to their respective sectors/ sub- sectors. Similarly, the provincial governments, AJK, Gilgit-Baltistan and local governments shall also devise their own strategies, plans and programs for implementation of the Policy.

Ministry of Climate Change and Environmental Coordination (MOCC&EC) formulated National Climate Change Policy (NCCP) – 2012 and reviewed / updated the same in October, 2021. For the smooth implementation of the NCCP, the management also formulated a document namely “Framework for Implementation of Climate Change Policy (FICCP) (2014 - 2030). Framework was required to be implemented through four timeframes like priorities i.e. Priority Action (within 2 Years), Short Term (within 5 years), Medium Term Action (within 10 years) and Long Term (within 20 years).

During audit of Ministry of Climate Change and Environmental Coordination for the financial year 2023-24 it was observed as under:

- i. The 8th meeting of the National Climate Change Policy Implementation Committees (NCCPIC) was held on 24.08.2022, and thereafter no meeting was convened during the year 2023-24.
- ii. No report of PCCPIC showing that the committees were constituted and meetings were convened biannually was available. Furthermore, as per available record, no report of PCCPIC was discussed during the NCCPIC meetings.
- iii. Reports of National Climate Change Policy Implementation Committee (NCCPIC) were not submitted to PM committee on Climate Change.
- iv. Action plans / projects were not formulated and operationalized at the federal / provincial and other departments as conceived in Framework for Implementation of Climate Change Policy (FICCP).

Audit held that due to inaction by the Ministry, the important forums of PCCPIC at provincial level were not established resulting into non-addressing of climate change issues in a systematic manner.

The initial audit observation was issued on 29.07.2024. However, no reply was received till finalization of this report.

The management was requested to convene DAC meeting vide letters dated 28.10.2024, 12.11.2024 and 14.01.2025. However, no DAC meeting was convened till finalization of this report.

Audit recommends that the management may look into the matter and formulate mechanism to ensure regular holding of NCCPIC and PCCPIC meetings, besides sharing of reports with NCCPIC. Furthermore, mechanism should be devised for submitting the report of NCCPIC to the higher level.

(Para No. 5 of AIR 2023-24, MOCC)

Mitigation (Legal frame work, Governance & Impact)

3.4.15 Non-functioning of the Clean Environment Fund, leading to the failure in achieving environmental protection and sustainable development targets

According to Clause 39 (h) of the Articles of Association of the "Clean Environment Fund" (CEF), the Board is responsible for managing all business affairs, exercising the company's powers and authorities, and securing necessary approvals from any government or authority. The Board may also enter into contracts and perform any actions required for the company's operations, except those specifically reserved for general meetings. Additionally, the Board has the authority to form committees and delegate functions and powers as needed to achieve the company's objectives.

Pakistan Environmental Protection Agency (Pak-EPA), Islamabad incorporated a company on 25.05.2015 under Section 42 of Companies Ordinance 1984, namely 'Clean Environment Fund', to achieve various environmental objectives.

During audit of Pak-EPA Islamabad for the financial year 2023-24, it was observed that:

- i. The Clean Environment Fund was non-functional and the management failed to fulfil the objectives as stated in Clause III of the Memorandum of Association of "Clean Environment Fund. Detailed function of CEF are provided at annexure-XXIII.
- ii. The Annual General Meetings (AGMs) of CEF were not convened in violation of Section 132(1) of the Companies Act 2017, which may lead to penalties by SECP.
- iii. The management did not prepare Annual Financial Statements in violation of Section 223 of the Companies Act 2017.

Audit held that the non-functioning of CEF may significantly impair the effectiveness of environmental protection and sustainable development efforts.

The initial audit observation was issued on 26.08.2024. It was replied that the Ministry of Climate Change & Environmental Coordination solely

controls Board nominations. The Pak-EPA has been requesting the Ministry to finalize these nominations so the Board can meet and make decisions. The Ministry has now approved a Board meeting and preparations for the agenda are underway.

The reply of the management was not satisfactory as the Clean Environment Fund remains inactive despite lapse of several years. Non-functioning of CEF has directly contributed to the failure in meeting environmental targets.

The management was requested to convene DAC meeting vide letters dated 28.10.2024, 12.11.2024 and 14.01.2025. However, no DAC meeting was convened till finalization of this report.

Audit recommends that the Clean Environment Fund may be operationalized to ensure effective regulation, conservation, protection, and sustainable management of the environment and other natural resources.

(Para No. 3 of AIR 2023-24, Pak-EPA)

3.4.16 Non-functioning of Pakistan Environmental Protection Council

According to Section 3(1) of Pakistan Environmental Protection Act, 1997, the Federal Government shall, by notification in the official Gazette, establish a Council to be known as the Pakistan Environmental Protection Council consisting as under:

Sr. No.	Particulars	Member / Secretary
i.	Prime Minister or such other person as the Prime Minister may nominate in this behalf.	Chairperson
ii.	Minister In-charge of the Ministry or Division dealing with the subject of environment.	Vice Chairperson
iii.	Chief Ministers of the Provinces.	Member
iv.	Ministers In-charge of the subject of environment in the provinces	Member
v.	Such other persons not exceeding thirty-five as the Federal Government may appoint	Member
vi.	Secretary to the Government of Pakistan, in-charge of Member/Secretary the Ministry or Division dealing with the subject of environment	Member / Secretary

Furthermore, according to Section 3(4) of the Act, the Council shall hold meetings as and when necessary, but not less than two meetings shall be held in a year.

Pakistan Environmental Protection Agency (Pak-EPA), Islamabad is a regulatory body established under Section 5 of Pakistan Environmental Protection Act, 1997 for the protection, conservation, rehabilitation and improvement of the environment, for the prevention and control of pollution and promotion of sustainable development and to enforce/implement the provisions of the Act.

During audit of Pak EPA Islamabad for the financial year 2023-24, it was observed that:

- i. Necessary amendments were not made in Pakistan Environmental Protection Act (PEPA), 1997 in line with 18th amendment wherein Environment was devolved among the provinces.
- ii. Pakistan Environmental Protection Council could not be revised and notified in light of 18th amendment in the Constitution of Pakistan.
- iii. The meetings of the Pakistan Environmental Protection Council were not held which was a violation of the Act.

Audit held that non-holding of the meetings of the Pakistan Environmental Council was serious lapse which resulted into weak oversight in coordination and supervision pertaining to protection, conservation, rehabilitation and improvement on the environment related issues.

The initial audit observation was issued on 26.08.2024. It was replied that after the 18th amendment to the Constitution, the subject of environment was devolved to the provinces, limiting the Pak-EPA's jurisdiction to Islamabad. According to the Pakistan Environmental Protection Act, 1997, the Federal Government must establish the Pakistan Environmental Protection Council. However, after the amendment, provincial agencies created their own statutes, and the Council's composition needed to reflect provincial autonomy. The Federal Government has not updated the Council's composition, resulting in its dysfunction.

The reply of the management was not satisfactory because despite lapse of considerable time, the Pakistan Environmental Council could not be re-structured in line with 18th amendment and the meetings were also not held as required under the Act.

The management was requested to convene DAC meeting vide letters dated 28.10.2024, 12.11.2024 and 14.01.2025. However, no DAC meeting was convened till finalization of this report.

Audit recommends that necessary steps may be taken for revision / amendment in PEPA, 1997. Moreover, establishment of Pakistan Environmental Protection Council and holding regular meetings as per Act/rules may be ensured.

(Para No. 1 of AIR 2023-24, Pak-EPA)

3.4.17 Non-constitution of Environmental Assessment Advisory Committee

According to Rule 22 of the Pakistan Environmental Protection Agency, Review of Initial Environmental Examination and Environmental Impact Assessment Regulations, 2000, the Director General is required to constitute an Environmental Assessment Advisory Committee to provide advice on all aspects of environmental assessment, including guidelines, procedures, and project categorization. The Committee should consists of:

- | | | |
|----|--|----------|
| a | Director EIA, Federal Agency | Chairman |
| b. | One representative each of the Provincial Agencies | Members |
| c. | One representative each of the Federal Planning Commission and the Provincial Planning and Development Departments | Members |
| d. | Four representative one each of industry, non-governmental organization, legal and other experts | Members |

Pakistan Environmental Protection Agency (Pak-EPA) was required to constitute Environmental Assessment Advisory and hold its meeting.

During audit of Pak-EPA Islamabad for the financial year 2023-24, it was observed that neither the Environmental Assessment Advisory Committee was constituted nor its meetings were held.

Audit held that the failure to constitute the Environmental Assessment Advisory Committee and to hold its meetings significantly impedes the effectiveness of environmental assessments and regulatory oversight. This oversight prevents timely and informed decision-making on environmental matters.

The initial audit observation was issued on 26.08.2024. It was replied that after 18th Constitutional Amendment, the Environmental Assessment Advisory Committee has become irrelevant. The draft Pak-EPA review of IEE and EIA Regulations 2022 are under process of review and approval.

The reply of the management was not satisfactory because the Environmental Assessment Advisory Committee is essential for maintaining consistent environmental standards and ensuring effective environmental oversight and integration of provincial perspectives.

The management was requested to convene DAC meeting vide letters dated 28.10.2024, 12.11.2024 and 14.01.2025. However, no DAC meeting was convened till finalization of this report.

Audit recommends that the Environmental Assessment Advisory Committee may be constituted and regular meetings may be held to ensure proper guidance and oversight on environmental assessments and related regulations

(Para No. 2 of AIR 2023-24, Pak-EPA)

Adaptation (Legal frame work, Governance & Impact)

3.4.18 Unknown utilization of 111.326 million plants produced in nurseries but not planted

According to the Summary of Physical and Financial Targets (AJK Four Years Plan) of the PC-I of the 'Ten Billion Tree Tsunami Program, Phase-1, Up-scaling of Green Pakistan Program (Revised), approved by ECNEC on

25.01.2017, the overall PSDP allocation for the AJ&K Forest component was Rs. 19,284.890 million. Out of this allocation, Rs. 3,623.386 million was earmarked for the establishment of nurseries to produce 288.625 million plants.

National Strategic Support Unit of Ten Billion Tree Tsunami Program (NSSU-TBTTP) under the Ministry of Climate Change and Environmental Coordination (MoCC&EC) released Rs. 5,302.537 million to AJK under the Forestry component during the period 2019-20 to 2023-24.

During audit of NSSU-TBTTP for the financial year 2023-24, it was observed that third-party monitoring was conducted by the consortium of IUCN, FAO, and WWF. As per the report of the third-party consortium, in AJK, there was a significant discrepancy between the number of plants produced in nurseries and those actually planted in the field. While 178.492 million plants were produced, only 67.166 million (37%) were planted. The utilization of the 111.326 million plants (63%) was unknown.

Audit held that the difference between the plants produced and actually planted indicates ineffective resource management and poor allocation across various project activities.

The initial audit observation was issued on 26.08.2024. The management replied that Monthly Progress Report of FY 2023-24 submitted by the PMU AJ&K (Forestry Component) indicates that 146.699 million saplings were reported of which 97.99 million saplings were utilized in various forestry activities (i.e. block plantations, free distribution of plants, and maintenance of plantations etc.). The remaining saplings are available for future plantations and further distribution. It is also worth mentioning that Rs. 1,378.112 million has been incurred for the production of 146.699 million saplings in the nurseries. Furthermore, it appears that the Audit team has only accounted for 67 million saplings utilized on communal and private lands. However, the saplings utilized in other forestry activities such as roadside plantations, soil conservation initiatives, and the distribution of forest and fruit plants to local communities, educational institutions, govt. departments and armed forces etc. have not been considered.

The reply was not convincing because according to the report of the third-party consortium, there was a significant discrepancy in AJK between the number of plants produced in nurseries and those actually planted in the field.

The management was requested to convene DAC meeting vide letters dated 28.10.2024, 12.11.2024 and 14.01.2025. However, no DAC meeting was convened till finalization of this report.

Audit recommends that the matter may be investigated and the utilization of the 111.326 million plants may be provided to the audit.

(Para No. 20 of AIR 2023-24, MOCC)

3.4.19 Non-submission of Environmental Monitoring Reports by industries, lack of database and review mechanisms resulting ineffective environmental mitigation

According to Rule 4 of the National Environmental Quality Standards (Self-Monitoring and Reporting by the Industry) Rules 2001, based on the pollution level, the Director-General shall classify industrial units into Category “A,” “B,” or “C” for liquid effluents and Category “A” or “B” for gaseous emissions.

Furthermore, Rules 5, 6, 7 and 8 of National Environmental Quality Standards (Self-Monitoring and Reporting by the Industry) Rules 2001, provides that these industrial units, based on their category, shall submit the Environmental Monitoring Reports to the Federal Agency as under:

Category	Component	Minimum frequency of Environmental Report
‘A’	Liquid effluents	Monthly
	Gaseous emissions	Monthly
‘B’	Liquid effluents	Quarterly
	Gaseous emissions	Quarterly
‘C’	liquid effluents	Biannual
Special Industries	Liquid effluents	As desired by DG SEPA
	Gaseous emissions	

Pakistan Environmental Protection Agency (Pak-EPA), Islamabad had provided a soft copy list of industries operating in various industrial areas of Islamabad. According to the details provided, there were 219 industries categorized as follows:

Type of industry	Categorization					
	A	A & B	B	C	Not mentioned	Grand total
Liquid	23	-	56	76	-	155
Gaseous	7	-	1	1	-	9
Both	18	6	28	1	-	53
Not mentioned	-	-	-	1	1	2
Grand Total	48	6	85	79	1	219

*Based on soft data provided by Pak-EPA.

During audit of Pak-EPA, Islamabad for the financial year 2023-24, it was observed that:

- i. Majority of industrial units have not submitted their required Environmental Monitoring Reports, violating the mandatory reporting requirements outlined in the National Environmental Quality Standards.
- ii. Pak-EPA has not established a comprehensive database to track the submission of monitoring reports by industries.
- iii. There is currently no mechanism in place for the review of the Environmental Monitoring Reports submitted by the industries (if any). This lack of scrutiny shows that the accuracy and completeness of the reports go unchecked, potentially allowing non-compliant industries to operate without consequence.

Audit held that failure to submit and properly review Environmental Monitoring Reports poses significant risks to environmental quality. Without accurate data, Pak-EPA cannot effectively enforce NEQS, leading to unchecked industrial pollution.

The initial audit observation was issued on 26.08.2024. It was replied that many industries have failed to submit their Environmental Monitoring Reports violating the National Environmental Quality Standards, particularly those in categories C or D (proposed) which do not produce liquid or gaseous emissions. The incomplete database maintained by Pak-EPA has led to gaps in reviewing the submitted reports, affecting oversight across all categories.

The management has admitted the stance of audit. Furthermore, without accurate database, Pak-EPA cannot effectively enforce NEQS, resulting in unchecked industrial pollution.

The management was requested to convene DAC meeting vide letters dated 28.10.2024, 12.11.2024 and 14.01.2025. However, no DAC meeting was convened till finalization of this report.

Audit recommends that necessary measures may be taken to establish a data base and a robust system for tracking, reviewing, and verifying Environmental Monitoring Reports. Additionally, strict enforcement actions should be taken against industries that fail to comply with the reporting requirements.

(Para No. 5 of AIR 2023-24, Pak-EPA)

3.4.20 Non-recovery/imposition of administrative penalty for violation and non-submission of cases to the Environmental Tribunal / Environmental Magistrate – Rs. 6.00 million

According to Rule 7 of Compounding of offences and Payment of Administrative Penalty Rules, 2015, in case of contravention to the provisions of Act, the Director General may refer the case to the committee for verifying the contraventions and assessment of the damage for according administrative penalty. On the receipt of report, Director General shall issue notice for payment of administrative penalty within thirty days. In case of failure, the case shall be referred to Environmental Protection Tribunal or Environmental Magistrate, as the case may be.

Furthermore, according to Compounding of offences and Payment of Administrative Penalty Rules, 2015, (Schedule IV, Table C), Administrative penalty on violation of Section 12 (Initial Environmental Examination and Environmental Impact Assessment) of Pakistan Environment Protection Act 1997 has been provided as Rs. 1,000,000.

Pakistan Environmental Protection Agency (Pak-EPA), Islamabad issued notices to various proponents for violation of the Section 12 of (Initial

Environmental Examination and Environmental Impact Assessment) of Pakistan Environment Protection Act 1997.

During audit of Pak-EPA Islamabad for the financial year 2023-24, it was observed that:

- i. Administrative penalty amounting to Rs 2.00 million was imposed on the following entities for breaching Section 12 of the Act. However, these violators have not deposited the administrative penalty till August 2024:

Sr. No.	Name of Project	Date of fine imposition	Fine (Rs)
1.	Phantom 2 Tower, New Blue Area, Islamabad.	14.03.2024	1,000,000
2.	Q three Tower, New Blue Area, Islamabad.	17.05.2024	1,000,000

- ii. Notices for personal hearing were issued to the following violators of Section 12 of Pakistan Environment Protection Act 1997, but these violators have not appeared for personal hearing:

Sr. No.	Name of Project	Date of issue of EPO
1.	Skyline Tower, New Blue Area, Islamabad.	05.01.2024
2.	Elaan Square, New Blue Area, Islamabad.	05.01.2024
3.	Federal Benevolent Fund Tower, Islamabad.	05.01.2024
4.	Pak Land Tower, New Blue Area, Islamabad.	01.01.2024

Audit held that neither the administrative penalty of Rs 6.00 million (Rs. 1,000,000 per violation) was recovered nor were the cases forwarded to the Environmental Tribunal or Environmental Magistrate which was serious lapse on the part of management of Pak-EPA.

The initial audit observation was issued on 26.08.2024. It was replied that Pak-EPA has addressed the cases under Section 21(3)(a) and submitted them for approval after following Section 16 of the Act, 1997. Once approved, the cases will be filed with the Environmental Protection Tribunal.

The reply of the management was not satisfactory as the management fails to address the ongoing delay in filing the cases with the Environmental Protection Tribunal.

The management was requested to convene DAC meeting vide letters dated 28.10.2024, 12.11.2024 and 14.01.2025. However, no DAC meeting was convened till finalization of this report.

Audit recommends that administrative penalties may be imposed and recovered. Moreover, legal action against the violators be initiated under intimation to audit.

(Para No. 13 of AIR 2023-24, Pak-EPA)

Chapter 4

Environment Wing, Capital Development Authority, Emergency & Disaster Management Directorate, Metropolitan Corporation Islamabad and Directorate General Civil Defence, Islamabad

4.1 Introduction

A. The Environment Wing of Capital Development Authority (CDA) includes Environment Directorate (East), Environment Directorate (West), Environment Directorate (Regional) and Directorate of Parks. The major functions of environment wing include protection, conservation and management of parks, nurseries and seasonal plantations etc. in Islamabad city. It also caters for the protection and conservation of forests, control of forest fires, afforestation and development of tourist viewpoints and its maintenance.

The Emergency & Disaster Management (E&DM) Directorate was established in 2008 under the Metropolitan Corporation Islamabad (MCI). E&DM Directorate is responsible for fast disaster mitigation and response in natural and human made disasters.

The Directorate General of Civil Defence is functioning as an attached department of Ministry of Interior, Islamabad. The Directorate General was established in 1962 as Directorate of Civil Defence and later on its status was upgraded making it a full-fledged Directorate General. There are ten (10) training institutes functioning at Provincial headquarters under the administrative control of DG Civil Defence which are responsible for imparting specialized Civil Defence training at national level. The Directorate General Civil Defence is responsible for:

- i. Preparing plans and schemes for Civil Defence in Pakistan in the light of polices and directions of Government.
- ii. Advising Provincial Civil Defence Directorates in the implementation of the approved polices and schemes regarding Civil Defence.

- iii. Preparing proposals for uniform standards of Civil Defence services and equipment for the approval of Government.
- iv. Preparing an overall Civil Defence Training Plan for Pakistan.
- v. Standardizing and supervising training arrangements, preparing syllabi for various types of Civil Defence Training Institutions and advising Provincial Directorates about training polices and plans.
- vi. Preparing an overall publicity plan for Civil Defence.
- vii. Revising the existing Civil Defence literature in the light of the new concepts of the Civil Defence.

B. Comments on Financial Expenditure of audited formations

(Rs. in million)

Wing	Financial Year	Budget	Expenditure	Savings/ (Excess)
Environment Directorate (Parks)	2023-24	3632.791	3294.092	338.699
-do-	2022-23	3710.746	3560.473	150.273
Environment Directorate (East)	2023-24	951.972	854.556	97.416
-do-	2022-23	858.7064	1050.467	(191.761)
Environment Directorate (West)	2023-24	578.071	570.968	7.103
-do-	2022-23	948.416	740.717	207.699
Environment Directorate (Regional)	2023-24	419.193	381.694	37.499
Emergency & Disaster Management Directorate	2023-24	105.81	648.651	(542.841)
-do-	2022-23	184.092	711.353	(527.261)
Director General (Civil Defence), Islamabad	2023-24	69.719	61.092	8.627
-do-	2022-23	74.774	69.718	5.056
Bomb Disposal Unit Lahore	2023-24	21.383	21.383	-
-do-	2022-23	19.291	19.291	-
-do-	2021-22	18.686	18.686	-
-do-	2020-21	19.911	19.911	-

Source: budget and expenditure statements

The graphical representation of budget and expenditure for the F.Y. 2023-24 is as under:

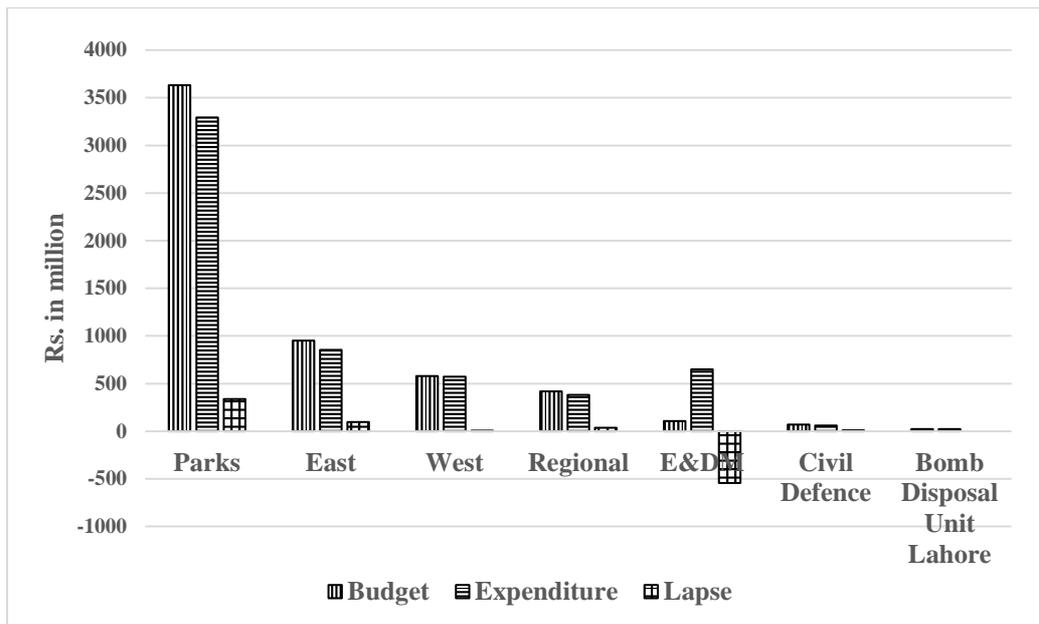


Table-I Audit Profile of Environment, E&DM Wing, MCI and Civil Defence

(Rs. in million)

Sr. No.	Description	Total Nos.	Audited	Expenditure audited FY 2023-24	Revenue / Receipts audit FY 2023-24
1.	Formations	16	07	5832.436	Nil
2.	<ul style="list-style-type: none"> • Assignment Account • SDAs • Others 	Nil	Nil	Nil	Nil
3.	Authorities / Autonomous Bodies etc. under the PAO	Nil	Nil	Nil	Nil
4.	Foreign Aided Project (FAP)	Nil	Nil	Nil	Nil

C. Survey Analysis Environment Wing-Capital Development Authority (CDA), Islamabad

The major functions of Capital Development Authority's Environment Wing include protection, conservation and management of the city. It also caters for the protection and conservation of forests, control of forest fires, afforestation of blank areas and development of the entire viewpoints and their maintenance.

1-Environment (East) Directorate

Functions

- Urban Division-I: Maintenance/development of green areas within the sectors between 3rd Avenue and Faisal Avenue through landscaping and floriculture.
- Nursery Division: Production of trees, shrubs, ground covers, creepers ornamental plants and seasonal flowers seedlings
- Parks Division: Maintenance/development of green areas along Shahrah-e-Islamabad, Shakar Parian and surroundings

2- Environment (Regional) Directorate

Functions

The Environment Directorate (Regional) is responsible for protecting and managing the Margalla Hills National Park (MHNP) and conducting soil conservation in the Simly Dam catchment area. It is divided into two divisions: the Forests Division and the Soil Conservation Division.

Forests Division:

- Protects forests from illegal activities and encroachment.
- Controls forest fires and promotes afforestation.
- Develops viewpoints to enhance eco-tourism.

Soil Conservation Division:

- Focuses on soil conservation in the 38,000-acre Simly Dam catchment area, ensuring water quality and ecosystem health.

3-Environment (West) Directorate

Functions

- Urban Division-II: Maintenance/development of green areas within the sectors west of Faisal Avenue and North of Kashmir Highway through landscaping and floriculture
- Urban Division-III: Maintenance/development of green areas between Kashmir Highway and IJP road through landscaping and floriculture

4-Parks Directorate

Functions

- Horticulture Division:
 - Landscape maintenance of parks, sit outs, jogging tracks throughout Islamabad
 - Total parks 290
 - 5 major parks

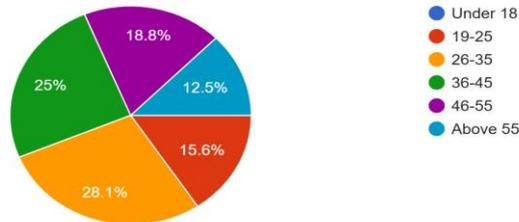
Technical

1. Landscape Division: Development of parks and other related works in directorate of East onward Faisal Avenue to sector G-5 including major urban parks i.e. Rose & Jasmine Garden, Lake View park, Shakarparian, Fatima Jinnah park, Play land etc.
2. Development Division: Civil works of parks, jogging tracks kids play areas and other related works in directorate of west onwards Faisal avenue towards west including major urban park Kachnar Park Sector I-8

Section 1: General Information

1. Age?

32 responses

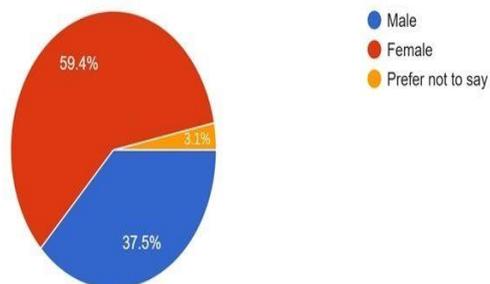


Comments:

A majority of 28.1% of the responses were received from individuals in the age group of 26–35, making it the highest among all age groups. This was followed by 25% of responses from the 36–45 age group and 18.8% from the 46–55 age group. Additionally, 15.6% of the responses were contributed by individuals aged 19–25, while only 12.5% were received from respondents above the age of 55. Notably, no responses were recorded from individuals under the age of 18.

2. Gender?

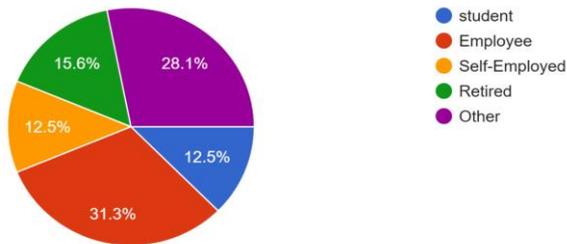
32 responses



Comments:

59.4% female participated to response the survey whereas 37.5% responses were received from male participants

3. Occupation?
32 responses

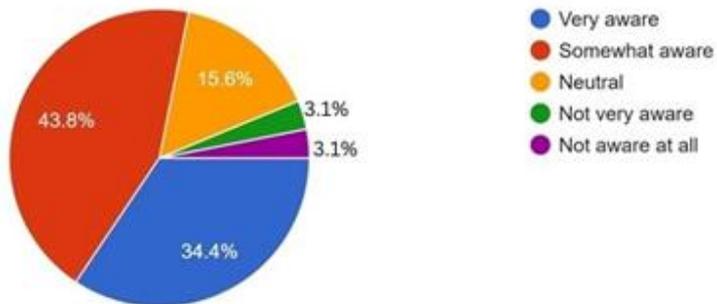


Comments:

Among the survey participants, 31.3% identified as employees, while 28.1% selected the category 'Other.' Additionally, 15.6% of participants were retired, 12.5% were students, and 12.5% identified as self-employed.

Section 2: Awareness and Perception

4. How aware are you of the responsibilities of the CDA Environment Directorate?
32 responses

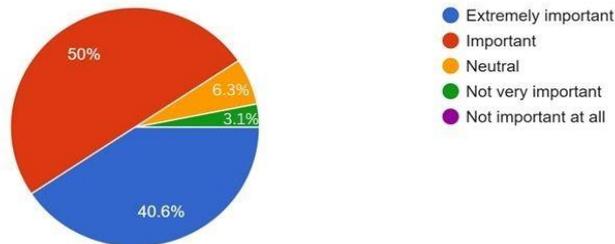


Comments:

Out of the survey responses, 43.8% indicated that participants were 'somewhat aware' of the responsibilities of the Environment Directorate of the CDA. Additionally, 34.4% of responses fell into the 'very aware' category, 15.6% were categorized as 'neutral,' and 6% of responses indicated participants were either 'not very aware' or 'not aware at all.'

5. In your opinion, how important is the role of the CDA Environment Directorate in managing the city's environment?

32 responses



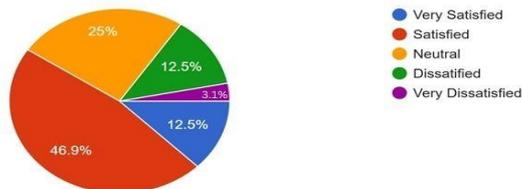
Comments:

Half of the respondents (50%) agreed on the importance of the CDA Environment Directorate's role in managing the city's environment, while 40.6% expressed that this role is 'extremely important.' Meanwhile, 9.4% of respondents indicated either a neutral stance or categorized the role as 'not very important'.

Section 3: Satisfaction with CDA Environment Directorate

6. How satisfied are you with the cleanliness and waste management efforts in your area by CDA?

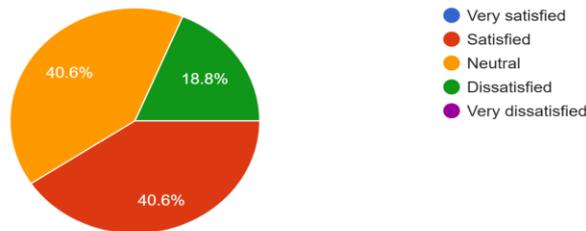
32 responses



Comments:

Regarding the cleanliness and waste management efforts of the CDA, 46.9% of respondents expressed satisfaction, while 25% maintained a neutral stance. Additionally, 12.5% of participants reported being 'very satisfied,' and an equal percentage (12.5%) expressed dissatisfaction. Notably, 3% of respondents indicated being 'very dissatisfied' with the CDA's efforts in this area.

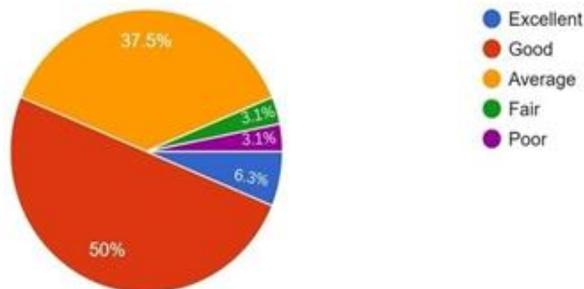
7. How satisfied are you with the green spaces and parks maintained by the CDA in your area?
32 responses



Comments:

With regard to the green spaces and parks maintained by the CDA, 40.6% of respondents expressed satisfaction, while an equal percentage (40.6%) remained neutral. Furthermore, 18.8% of participants indicated dissatisfaction with the maintenance of these green spaces and parks.

8. How would you rate the tree plantation initiatives carried out by CDA in Islamabad?
32 responses

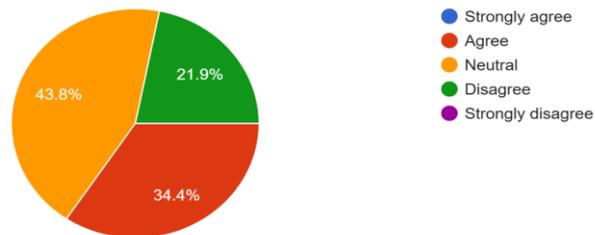


Comments:

Regarding the tree plantation initiatives carried out by the CDA in Islamabad, 50% of respondents rated the efforts as 'good,' while 37.5% expressed a neutral opinion. Additionally, 12.5% of participants provided ratings of 'excellent,' 'fair,' or 'poor'.

9. Do you believe that CDA is effectively addressing environmental issues such as pollution, deforestation, and waste management?

32 responses



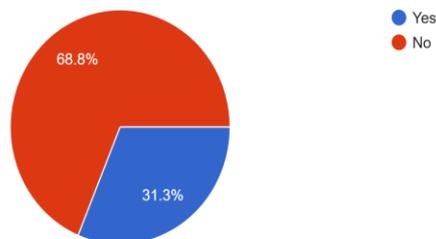
Comments:

Regarding the effectiveness of the CDA in addressing environmental issues such as pollution, deforestation, and waste management, 43.8% of respondents expressed a neutral opinion, while 34.4% agreed with the CDA's efforts. Conversely, 21.9% of participants disagreed with the CDA's approach to these environmental challenges.

Section 4: Environmental Initiatives

10. Have you participated in any CDA environment-related activities (e.g., tree plantation drives, clean-up campaigns)?

32 responses

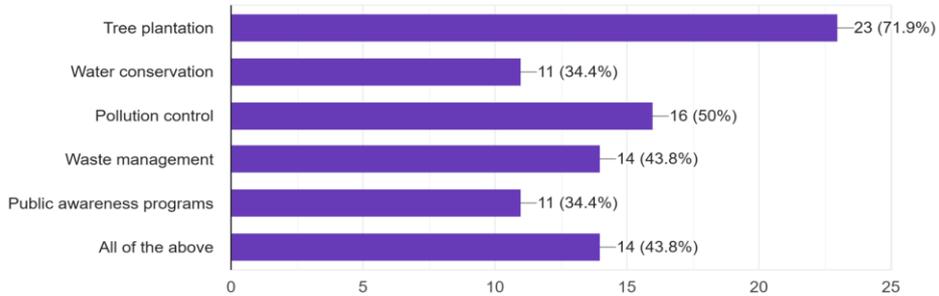


Comments:

Over 68% of respondents indicated that they have not participated in any CDA environment-related activities. In contrast, only 31% of participants reported having engaged in such activities.

11. What environmental initiatives would you like the CDA to prioritize? (You may select more than one)

32 responses

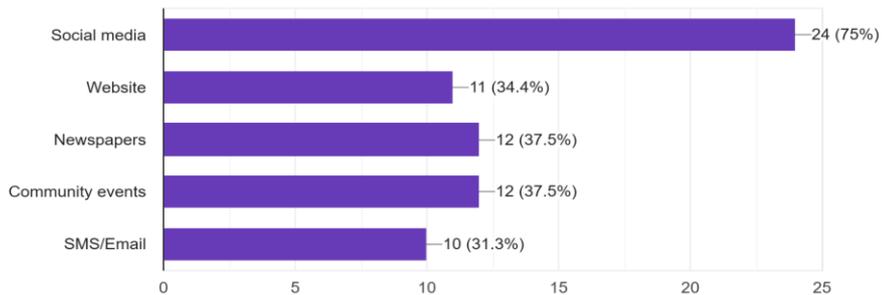


Comments:

As far as environmental initiatives of CDA are concerned, the general populace are more alarmed about the tree plantation and less concerned about the public awareness program and water conservation.

12. How would you prefer to receive information about CDA's environmental initiatives?

32 responses



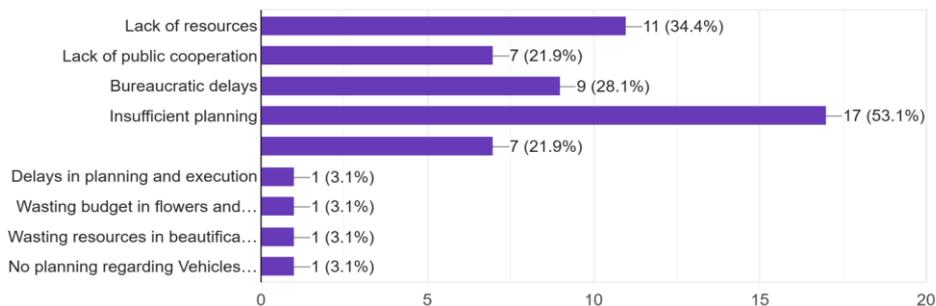
Comments:

Respondents showed a stronger preference for receiving information about the CDA’s environmental initiatives through social media, while demonstrating less interest in receiving such information via SMS or email.

Section 5:Feedback and Suggestions

13. What challenges do you think CDA Environment Directorate faces in managing the city's environment? (You may select more than one)

32 responses

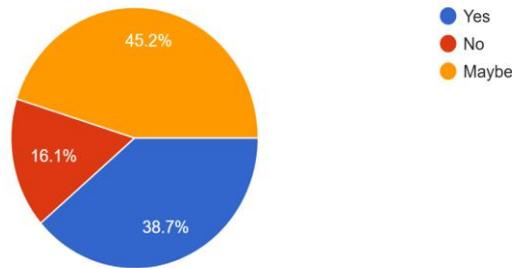


- Delays in Planning and Execution
- Wasting resources in beautification. They should concentrate on tree plantation (investment in future). Furthermore, they should stop or limit construction and developments like road extensions and preserve forest.
- Wasting resources in beautification projects.
- No planning regarding vehicles with excessive CO₂ emissions.

Comments:

53.1% of the respondents were of the view that CDA had insufficient planning. Furthermore, people gave their feedback that CDA was wasting its resources on the projects of beautification and no planning seemed in place regarding CO₂ emissions.

14. Would you be willing to participate in future environmental initiatives organized by the CDA?
31 responses



Comments:

38.7% expressed a willingness to participate in future environmental initiatives organized by the CDA, while 16.1% indicated they were not willing to engage in such activities. Additionally, 45.2% of respondents were uncertain about their potential participation in future CDA environmental initiatives.

Conclusion:

This analysis reveals a notable level of public satisfaction with the performance of the CDA Environment Wing in the Islamabad Capital Territory (ICT). However, it also highlights areas where improvement is needed, particularly in planning to prevent resource wastage on beautification projects, addressing the issue of vehicles with excessive CO₂ emissions and ensuring the optimal utilization of resources.

4.2 Classified Summary of Audit Observations

Audit observations amounting to Rs. 190.480 million have been raised in this report pertaining to Environment Wings and E&DM Directorate of CDA/MCI and Civil Defence. Recovery amounting to Rs. 55.471 million has been pointed out in the audit observations. Summary of the audit observations classified by nature is as under:

Table –II Overview of Audit Observations**(Rs. in million)**

Sr. No.	Classification	Amount
1.	Internal controls	190.480
i	Financial Management	58.584
ii	Procurement management	131.896
iii	HR management/ Organizational management	-
2.	Public Service Delivery / Performance	-
A	Disaster Risk management (Response, Rescue, Recovery and Rehabilitation)	-
B	Climate Change and Environment Management	-
i	Mitigation (Legal frame work, Governance & Impact)	-
ii	Adaptation (Legal frame work, Governance & Impact)	-

4.3 Brief comments on the status of compliance with PAC directives

The Directorate General Audit (CC&E) Islamabad started auditing and reporting CDA/MCI formations and Directorate General of Civil Defence Islamabad since the year 2018-19 and 2016-17 respectively. No Audit Report has been discussed in PAC meeting so far.

4.4 AUDIT PARAS

Financial Management

4.4.1 Irregular award of contract without obtaining additional performance security - Rs. 11.590 million

According to Capital Development Authority Contract's Additional terms & conditions Clause-48, Tender notice of the project of Landscaping / Development of Atta Turk Avenue Condition clause-16 and Tender notice of the project of Soft Landscaping of PWD Interchange Islamabad Condition clause-7 requires that in case the total bid amount is less than 10% below the NIT amount, the bidder shall submit additional call deposit as performance security equal to the difference NIT amount and total quoted amount less 10% of NIT amount. This additional performance guarantee (call deposit) shall be submitted along with bid in closed envelop. Bids having rates below 10% of NIT without additional call deposited will be rejected. Furthermore, the performance security of the successful bidder shall be released after completion of project.

Environment Directorate CDA (East) awarded contracts for landscaping and purchase of seasonal flowers from different vendors amounting to Rs. 30.450 million during the financial year 2022-23 and 2023-24.

Furthermore, Environment Directorate CDA (West) awarded different contracts for Plantation & soft landscaping, procurement of Horticulture Machinery, Provision of irrigation System & Providing Fixing hanging Baskets Planters from different vendors amounting to Rs. 422.292 million during the financial year 2022-23 and 2023-24.

During the audit of the Environment Directorate CDA (East & West), it was noted that the management awarded contracts to vendors where the quoted amount was less than 10% of the Notice Inviting Tender (NIT) amount. However, no additional call deposit was received as performance security to cover the difference between the NIT amount and the total quoted amount, less 10% of the NIT amount. This shortfall in performance security amounted to

Rs. 11.590 million. Moreover, management accepted tenders from vendors without receiving additional performance guarantee along with the bid in closed envelop. Detail is attached as annexure-XXIV & annexure-XXV.

Audit held that awarding contract without obtaining additional performance security put public money at risk. Moreover, not ensuring additional performance security was also violation of the contract agreement.

Initial Audit observation was issued on 18.09.2024. Management replied that performance Security against all the works mentioned on the list has been received prior to award of work.

The reply of the management was not satisfactory as no additional call deposit was received as performance security to cover the difference between the NIT amount and the total quoted amount, less 10% of the NIT amount.

DAC meeting was held on 03.12.2024. The DAC directed that the amount of additional performance security may be received from vendors and results may be shared with audit.

Audit recommends implementation of DAC decision.

(Para No. 6 & 5 of AIR 2022-24 Environment Directorate CDA (West) & East, Islamabad)

4.4.2 Non-recovery of penalty /fine from defaulter – Rs. 32.275 million

According to Para 9 of Islamabad Fire Prevention and Life Safety Regulation 2010, whoever contravene any provision of this regulation shall without prejudice to any other action taken against them under the section 06 will be fined, which may extend to Rs. 500,000 and where the offense is a continuing one, with a further fine, which may extend to three thousand rupees for every day after first during which such offense continues.

Emergency and Disaster Management Directorate of Municipal Corporation, Islamabad (E&DMD-MCI) imposed fine on the owners of proprietors/buildings who were violating the building standards as prescribed

in Islamabad Fire Prevention and Life Safety Regulation 2010. The details are as under:

(Rs. in million)

Description	No. of Cases	2021-22	No. of Cases	2022-23	No. of Cases	2023-24	Total
Fine Imposed	197	39.670	18	7.500	27	8.750	55.920
Fine recovered	131	22.345	1	0.500	3	0.800	23.645
Fine Recoverable	66	17.325	17	7.000	24	7.950	32.275

During audit of E&DMD-MCI for the financial year 2022-23 and 2023-24, it was observed as under:

- i. Fine amounting to Rs. 16.250 million was imposed during the financial year 2022-24 out of which management recovered only Rs. 1.300 million from the owners and Rs. 14.950 million could not be recovered. Moreover, Rs. 17.325 million pertaining to 2021-22 and previous years could also not be recovered.
- ii. Neither the record regarding the stoppage of offence was available on record nor evidence of imposition of further fine @ Rs.3000 every day as continuing offence was available.

Audit held that non-recovery of penalty / fine from the defaulters was violation of rules which resulted into loss to the public exchequer amounting to Rs. 32.275 million. Moreover, non-availability of record regarding compliance to rules and non-imposition of further fine was also violation of rules and negligence on the part of management.

Initial audit observation was issued on 22.10.2024. Management replied that audit observations have been carefully reviewed, and discrepancies in the reported figures have been identified. The actual recoverable amount is Rs 19.65 million, not Rs 32.275 million, and the number of cases differs from the records. Since penalties were not authorized by the competent authority, recoveries are being pursued under applicable regulations.

The reply of the management was not satisfactory as number of cases reflected in the audit observation were provided by the management during the

course of audit. Moreover, the outstanding amount was not recovered through arrear of land revenue. Non-imposition of fine @ 3000 every day as continuing offence was irregular.

The PAO was requested to convene DAC meeting. However, the same was not convened till finalization of this report.

Audit recommends that fine may be recovered from the defaulters.

(Para No. 1 of AIR 2022-24 E & DM Directorate of MCI Islamabad)

4.4.3 Liquidated damages/penalty on a contract of Rs. 8.28 million

According to Conditions of Contract Clause 2 (Compensation for delay), the time allowed for carrying out the work as entered in the tender shall be strictly observed by the contractor and shall be reckoned from the date on which the order to commence work is given to the contractor. The work shall throughout the stipulated period of the contract be proceeded with all due diligence, time being deemed to be the essence of the contract on the part of the contractor and the contractor shall pay as compensation an amount equal to one per cent (1%) or such smaller amount as the Director (whose decision in writing shall be final), may decide on the amount of the contract, cost of the whole work as shown by the tender for every day that the work remains uncommenced, or unfinished, after the proper dates.

Environment Directorate CDA (East) awarded a contract for Rs. 8,280,000 to M/s Jathol & Co. during FY 2023-24 for purchase of different plants for spring plantation CDA nursery Islamabad on 27.06.2023. Work order was issued on 27.06.2023 with completion period of 15 days, w.e.f. 27.06.2023 to 11.07.2023. However, on request of the contractor, extension in the contract period was granted from 12.07.2023 to 26.07.2023 with the condition that no further extension will be granted in any case and in case the work is not completed within stipulated period of time, penalty will be imposed. The detail of purchase of different plants for spring plantation is as under:

(Amount in Rs.)

Sr. No.	Description	Qty.	Per unit Rate	Amount
1.	Chir Pine	4500	1,638.0	7,371,000
2.	Arjun Size	1000	109.8	109,800
3.	Amaltas	1200	197.1	236,520
4.	Silver Oak	1000	97.2	97,200
5.	Celtus Size	1000	84.6	84,600
6.	Sapium	1000	103.5	103,500
7.	Jacaranda	1110	84.6	93,906
8.	Willow Size	1000	84.6	84,600
9.	Kachnar	1000	99.0	99,000
Total				8,280,126

During the audit of Environment Directorate CDA (East), it was observed that an amount of Rs. 8,280,000 was paid to contractor. The record revealed following shortcomings:

- i. The contract for spring season plants was awarded in the month of June whereas the spring season starts from March and ends in May.
- ii. Contractor failed to complete the work within stipulated time of 15 days (27.06.2023 to 11.07.2023) and even in extended period upto 26.07.2023.
- iii. Contractor required to supply 4,500 Chir Pine Plants where only 4,414 Chir Pine Plants were actually supplied by the contractor. Furthermore, out of supplied quantity, 53 plants were found damaged. No record of supply of remaining 139 plants (86 short + 53 damaged) was provided to audit.
- iv. The contractor showed his inability to supply of remaining plants after three months of issuance of work order.

Audit held that the contract was awarded post-spring, indicating inadequate planning and management by the CDA Environment Wing. Despite

being awarded during the off-season, the contractor received an unwarranted extension of time. The contractor was obligated to supply plants within the specified timeframe and during a favorable season for planting. However, they failed to meet these contractual requirements. Additionally, the non-recovery of liquidated damages represents an unjust benefit to the contractor at the public's expense and a loss to the government. The delay in completing the plantation could lead to planting trees outside the optimal season, diminishing their chances of survival and growth.

Initial Audit observation was issued on 18.09.2024. The management replied that the works were completed on time by contractors as per work orders and measurement records, making liquidated damages inapplicable.

The reply of the management was not satisfactory as the contractor did not complete his work during the extended period of time and shown his inability to supply remaining plants.

DAC meeting was held on 03.12.2024. The forum directed that the matter should be investigated and results be shared with audit.

Audit recommends implementation of DAC decision.

(Para No. 4 of AIR 2022-24 Environment Directorate CDA (East), Islamabad)

4.4.4 Non-deduction of Capital Sales Tax (CST) – Rs. 6.439 million

According to Federal Board Revenue (FBR) section-1(2) Notification No. S.R.O. 660(I)/2007, dated 30th June, 2007 of the Sales Tax Special Procedure (Withholding) Rules 2007, that specifies the withholding agents, for the purpose of deduction and deposit of sales tax.

Furthermore, according to Section 2 (Responsibility of a withholding agent), a recipient of advertisement services, shall deduct an amount equal to one fifth of the total sales tax shown in the sales tax invoice issued by a registered person/vendor who is rendering services or supplying goods and make payment of the balance amount to him.

Additionally, according to Section 2-A, a withholding agent shall deduct an amount equal to one-tenth of the total sales tax shown on the sales

tax invoice issued by persons registered as a wholesaler, dealer or distributor, and make the payment of the balance amount to him.

Environment Directorate CDA (West) awarded contracts during the F.Y 2022-23 and 2023-24 amounting to Rs. 422,312,270. Total amount of ICT sales tax chargeable on that contracts was Rs. 32,198,902 and as per mentioned rule One fifth (1/5th) of the sales tax must be withheld and payable by Environment wing-West CDA of Rs. 6,439,780.

During audit of Environment Directorate CDA (West), it was observed that the management failed to deduct the mandatory Islamabad Capital Territory Sales Tax on Services (ICT-ST) from contractor's payments. The management neglected to withhold one-fifth (20%) or one-tenth (10%) of the total sales tax from invoices. Detail is attached at annexure-XXVI.

The audit held that the lapse resulted in loss to government exchequer.

Initial Audit observation was issued on 18.09.2024. The management replied that subject matter is not treated as service provider and not covered under the schedule of Islamabad Capital Territory (tax on Service Ordinance 2001). The Contractors already paid advance Tax @ 10 % to the Department on regular basis and further deposited in Government Treasury.

The reply of the management was not satisfactory as the services may be bifurcated from the contractual work. ICT sales tax should be deducted from services.

DAC meeting was held on 03.12.2024. The DAC directed that verification on deduction of taxes should be made and results be shared with audit authorities.

Audit recommends implementation of DAC decision.

(Para No. 5 of AIR 2022-24 Environment Directorate CDA (West), Islamabad)

Procurement management

4.4.5 Mis-procurement of items / equipment – Rs. 76.571 million

According to Rule 23 (1) of Public Procurement Rules, 2004, procuring agencies shall formulate precise and unambiguous bidding documents that shall be made available to the bidders immediately after the publication of the invitation to bid.

Additionally, according to Rule 36, save as otherwise provided in these rules the Single stage – one envelope, Single stage – two envelope, Two stage bidding and Two stage - two envelope bidding process shall be permissible for open competitive bidding. Single stage – one envelope procedure, each bid shall comprise on single envelope containing, separately, financial proposal and technical proposal (if any). All bids received shall be opened and evaluated in the manner prescribed in the bidding document.

Emergency and Disaster Management Directorate of Municipal Corporation, Islamabad (E&DMD-MCI) made procurement of various items / equipment amounting to Rs. 76.571 million during the financial year 2022-23 and 2023-24. Details are as under:

(Rs. in million)

Nature of Procurement	Description of Items	Estimated Cost	Contract Awarded
Items procured for Monsoon seasons for affective flood relief activities	4" De-Watering Pumps	30.900	27.810
	6" De-watering Pumps		
	Inflatable Rubber Boats		
	Life Jackets		
	Tents		
Generator 10 KVA			
Procurement of Tyrese	Various types of tyres for different types of Fire vehicles	15.694	20.122
Procurement of Hose Pipes	Hose Pipes	4.329	4.897
Procurement of SCBA Cylinders	Cylinders	18.600	23.742
Total		69.523	76.571

During audit of E&DMD-MCI for the financial year 2022-23 and 2023-24, it was observed as under:

- i. The procurement was made on above and below basis on the estimated value calculated on quotation basis from various vendors instead of financial proposal submitted by the vendors participating in the competitive bidding process against each item / equipment.
- ii. Method of procurement was not provided in the Notice for Invitation (NIT).
- iii. Technical evaluation of the vendors participated in the competitive bidding process were not carried out.
- iv. Bidding document were not formulated.
- v. E&DMD procured Inflatable Rubber Boats @ Rs. 3,600,000 during the financial year 2022-23 whereas PDMA Punjab procured Pneumatics Boats (Inflatable Rubber Boats) @ Rs. 1,174,900 which shows procurement was made on exorbitant rates.
- vi. E&DMD procured accessories pertaining to 4” Dewatering pumps i.e. chuck valve with all accessories and heavy duty suction pipe 15 Feet Each length of different quantities through quotations amounting to Rs. 985,000. The same were not included in the NIT which shows procurement was made without proper planning.
- vii. The vendor did not provide 6” Dewater Pumps despite participation in the bidding process and management did not impose any penalty on the vendor for non-provision of equipment.
- viii. Record pertaining to inspection of the items supplied by the vendor with regard to quantity and quality was not available to ensure that the procurement brings value form money for the department as per PPRA.

Audit held that procurement without observing procurement rules was a serious violation.

Initial audit observation was issued on 22.10.2024. Management replied that the water rescue equipment was procured on an emergency basis during the 2023 monsoon season following due process. The Meteorological Department's high-alert notification led to immediate action, with funds allocated in July 2023. Open tender competition was conducted, advertised and awarded to the lowest bidder, ensuring compliance with rules. Items meet international standards and were inspected by technical officers. Additional accessories were procured separately due to unavailability in stores, while trolley-mounted pumps were rejected due to operational challenges.

The reply of the management was not acceptable as the estimates were prepared on quotations instead of provision of rate by the vendor through open competitive bidding process. NIT, Technical evaluation, bidding documents and inspection reports also were not provided / available with reply. The procurement of inflatable Rubber Boats was made on exaggerated rates.

The PAO was requested to convene DAC meeting. However, the same was not convened till finalization of this report.

Audit recommends that matter may be investigated.

(Para No. 4 of AIR 2022-24 E&DM Directorate of MCI Islamabad)

4.4.6 Deficiencies in tendering and bid evaluation process – Rs. 55.325 million

According to Rule 29 Public Procurement Rules, 2004, procuring agencies shall formulate an appropriate evaluation criterion listing all the relevant information against which a bid is to be evaluated. Such evaluation criteria shall form an integral part of the bidding documents. Failure to provide for an unambiguous evaluation criteria in the bidding documents shall amount to misprocurement.

Furthermore, according to Rule 30 (1) Public Procurement Rules, 2004, all bids shall be evaluated in accordance with the evaluation criteria and other terms and conditions set forth in the prescribed bidding documents. Save as provided for in sub-clause (iv) of clause (c) of rule 36 no evaluation criteria

shall be used for evaluation of bids that had not been specified in the bidding documents.

A random sample of 06 contracts amounting to Rs. 55,324,886 was taken from Environment Directorate CDA (Parks), during the financial year 2022-23 and 2023-24.

During the audit of Environment Directorate CDA (Parks), it was observed that management awarded contracts in the capacity of P/F Barbed Wire Fencing with RCC Precast Pole, Construction of jogging track & box culver, Repair & Maintenance of Walkways, etc.

The contract was awarded only on the basis of monetary evaluation which may result into:

- i. In the absence of technical evaluation of contractors may result in engagement of a firm that lacks the necessary technical expertise in tree plantation.
- ii. Use of inappropriate tools, equipment, and untrained labor, which can compromise the quality of the plantation and may lead to lower survival rates and reduced project outcomes.
- iii. As mentioned in the advertisement that eligibility criteria for the firm is “at least three number of work in last two financial years”. But no such evaluation comes from the documentation. This increased the risk of selecting an incompetent firm.
- iv. Bid evaluation committee was not constituted for bid evaluation.
- v. All the tender documents were not signed by the contractor and Dy. Director concerned.

Audit held that deficiencies in the tendering and bid evaluation process at the CDA (Parks) Environment Directorate significantly increase the risk of irregularities, such as favoritism, collusion, and overpayment.

Initial Audit observation was issued on 18.09.2024. Management replied that the case referred by the audit as sample pertain to providing/Fixing concrete pools and wire mesh fence along IJP Road. The items of work are

finished items available in market which can be procured form the open market and then can be fixed as per design. Therefore, no technical committee can be constituted for such work.

The reply of the management was not satisfactory as non-constitution of technical committee and deficiencies in the tendering and bid evaluation increase the risk of irregularities.

DAC meeting was held on 03.12.2024. The forum directed that deficiencies in tendering and bid evaluation process was violation of PPRA and relevant record may be verified.

Audit recommends implementation of DAC decision.

(Para No. 8 of AIR 2022-24 Environment Directorate CDA (Parks), Islamabad)

Chapter 5

National Disaster Risk Management Fund (NDRMF)

5.1 Introduction

A. National Disaster Risk Management Fund (NDRMF) was established in December 2016 to generate and consolidate resources and invest in a comprehensive risk reduction and mitigation strategy to reduce the impact of disasters in a proactive manner. NDRMF is a government-owned not-for-profit organization registered with the Securities & Exchange Commission of Pakistan under Section 42 of Companies Act, 2017. The Fund is established as a non-banking financial intermediary with a corporate structure aiming to provide funding through matching grants of upto 70% for a range of structural and non-structural interventions carried out through a variety of stakeholders including UN Agencies, NGOs as well as public sector departments.

NDRMF holds a key role in implementing, coordinating and monitoring Disaster Risk Reduction (DRR) activities in the country. The Fund is responsible for awarding, managing and guiding investments meant to reduce risk and vulnerabilities that are associated with climatic change and natural hazards. The objective of the Fund is to focus on primary and critical level disaster planning, preparedness, pre-disaster mitigation and early warning systems.

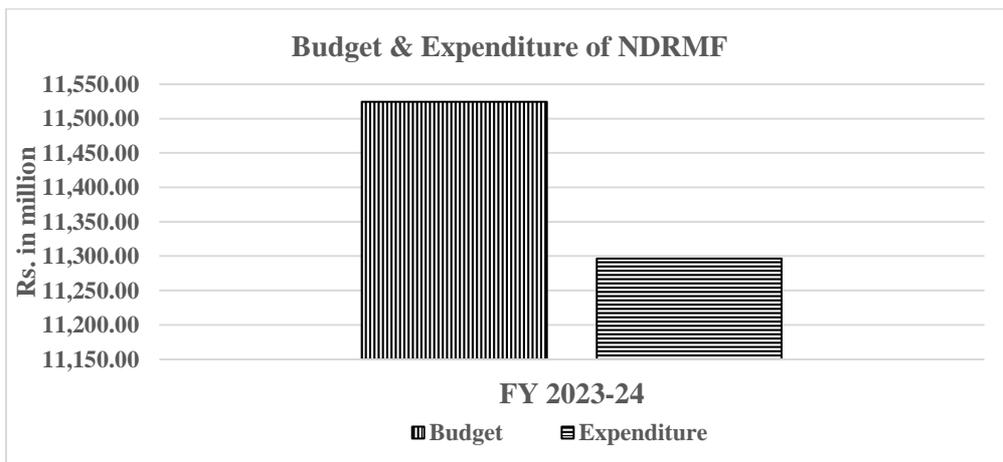
At present, the administrative control of NDRMF rests with the Ministry of Planning, Development & Special Initiatives.

B. Comments on Financial Expenditure of audited formations

(Rs. in million)

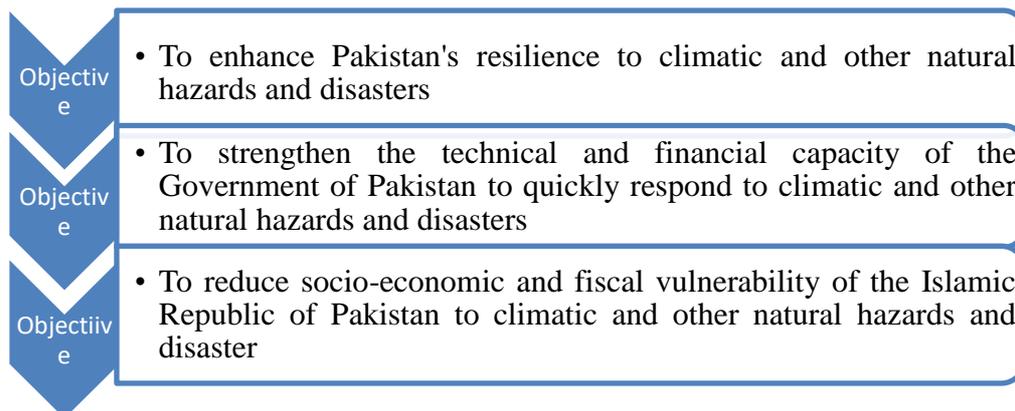
Financial Year	Budget	Expenditure
2023-24	11,524.417	11,296.444

The graphical representation of budget and expenditure of NDRMF for the financial year 2023-24 is as under:



C. Sectoral Analysis

National Disaster Risk Management Fund (NDRMF) is the key agency to generate resources for Disaster Risk Reduction (DRR) activities in the country. The objectives of the NDRMF as per Article of Association¹⁸ are as under:

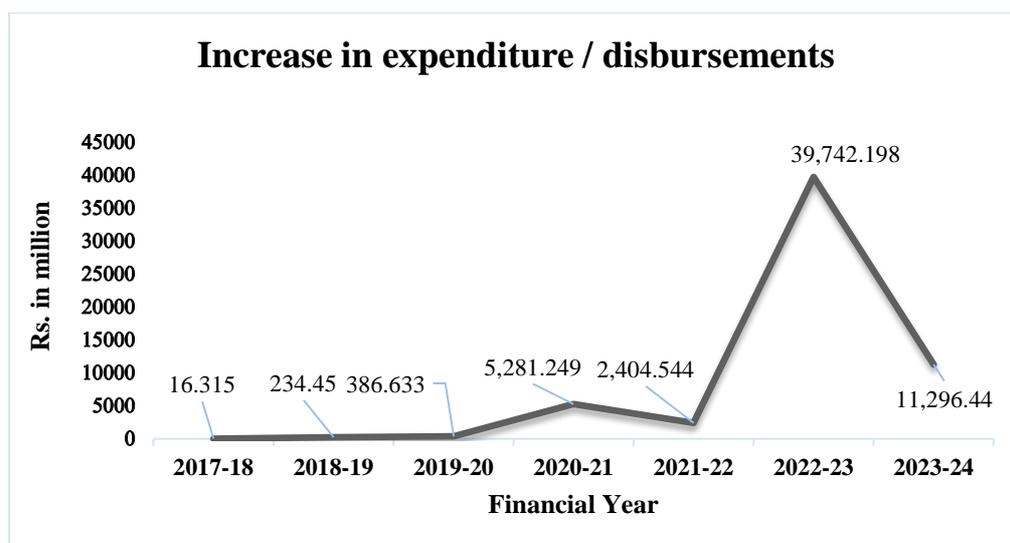


¹⁸ Article of Association Para 1 (III)

The resources pooled under the National Disaster Risk Management Fund (NDRMF) are dedicated to support the implementation of the National Disaster Management Plan (NDMP) 2012-2022 and National Flood Protection Plan-IV (NFPP-IV) 2015-2025. The Fund is required to finance projects relevant to the specified targets. However, phase-based interventions are finalized based on imminent needs and demands.

Details of expenditure / disbursements

The increase in expenditure/disbursement of NDRMF since its establishment to 30.06.2024 is reflected as under:



Note: The sharp increase in expenditure/disbursement for the FY 2022-23 was due to allocation of an amount of Rs. 35.371 billion (USD 150.00 million) to BISP for distribution of cash grants to 1.415 million affectees of flood 2022.

Major Schemes / Projects of NDRMF

Major schemes / projects conceived by NDRMF are as under:

(Rs. in million)

Sr. No.	Name of Project /Scheme	FIP	Total Cost
1.	Promoting Integrated Mountain Safety in Northern Pakistan (PIMSNP)	Agha Khan Foundation	834.600
2.	Disaster Preparedness Support Plan for Emergency Rescue Services	Rescue-1122 Khyber Pakhtunkhwa	613.850
3.	Rehabilitation of Hajipur Gujran Flood Protection Bund from RD 0+000 To RD 37+750	Punjab Irrigation Department	500.570
4.	Building resilience by strengthening the community through inclusive Disaster Risk Management	Muslim Aid	400.850
5.	Recoupment of damaged T-head Spur along Agani Akil Loop Bund	IRR Sindh	389.800
6.	Rehabilitation of Old Deg Nullah from Deg Diversion Channel to Q.B Link Canal	Punjab Irrigation Department	385.440
7.	Providing stone apron, stone pitching, and earth along LS Bund Work Dadu Division	IRR Sindh	300.766
8.	Multi-Hazard Vulnerability Risk Assessment (MHVRA)	NDMA	277.700
9.	From Vulnerability to Resilience (V2R)	Pakistan Red Crescent Society	228.100
10.	Restoration of Jalala Flood Protection Bund from RD 0+000 To RD 26+700	Punjab Irrigation Department	210.550
11.	Resilient and Adaptive Population in Disaster (RAPID)	Islamic Relief Pakistan	192.600
12.	Strengthening Tsunami and Earthquake Preparedness in Coastal Areas of Sindh Province	PDMA Sindh	180.000
13.	Protecting village Abadi Shahapur Changora, Fatehpur etc. against Erosive Action of Bein Nullah	Punjab Irrigation Department	162.880

Source: <http://www.ndrmf.pk/projects>

Table-I Audit Profile of National Disaster Risk Management Fund (NDRMF)

(Rs. in million)

Sr. No.	Description	Total Nos.	Audited	Expenditure audited FY 2023-24	Receipts audited FY 2023-24
1.	Formations	01	01	11,296.444	Nil
2.	• Assignment Account	Nil	Nil	Nil	Nil
	• SDAs	Nil	Nil	Nil	Nil
	• Others	Nil	Nil	Nil	Nil
3.	Authorities / Autonomous Bodies etc. under the PAO	Nil	Nil	Nil	Nil
4.	Foreign Aided Project (FAP)	01	01	11,296.444	Nil

5.2 Classified Summary of Audit Observations

Audit observations amounting to Rs. 17,458.438 million have been raised in this report pertaining to NDRMF. Recovery amounting to Rs. 7.607 million has been pointed out in the audit observations. Summary of audit observations classified by nature is as under:

Table –II Overview of Audit Observations**(Rs in million)**

Sr. No.	Classification	Amount
1.	Internal controls	9,650.438
i.	Financial Management	2,580.563
ii.	Procurement management	-
iii.	HR management/Organizational Management	7,069.875
2.	Public Service Delivery / Performance	7,808.000
A	Disaster Risk Management (Response, Rescue, Recovery and Rehabilitation)	7,808.000
B	Climate Change and Environment Management	-
i.	Mitigation (Legal frame work, Governance & Impact)	-
ii.	Adaptation (Legal frame work, Governance & Impact)	-

5.3 Brief comments on the status of compliance with PAC directives

The Directorate General Audit (CC&E) started auditing and reporting National Disaster Risk Management Fund (NDRMF) since financial year 2016-17. No Audit Report has been discussed in PAC meeting so far.

AUDIT PARAS

Financial Management

5.4.1 Non obtaining of 30% funding through matching grants from FIPs – Rs. 2,572.956 million

According to Clause 3.3 of Subsidiary Grant Agreement between Government of Pakistan and National Disaster Risk Management Fund (NDRMF) 2016, in pursuance to its role of increasing investment to reduce vulnerability to natural hazards, the NDRMF shall on-grant funds on a cost-sharing basis to eligible Fund Implementation Partners (FIPs) that meet the accreditation criteria for eligible subprojects. The FIPs will include federal, provincial and district government entities; autonomous organizations; civil society; and academia. The NDRMF will provide funding through matching grants of up to 70% for a range of structural and nonstructural interventions.

National Disaster Risk Management Fund (NDRMF) released funds amounting to Rs. 8,576.524 million as 100% funding to the various FIPs. The details are at annexure-XXVII.

During audit of National Disaster Risk Management Fund (NDRMF) for the financial year 2023-24, it was observed that the NDRMF did not obtained the 30% funding amounting to Rs. 2,573 million through matching grants from FIPs.

Audit held that non-obtaining of the 30% funding through matching grants from FIPs was the violation of the subsidiary grant agreement.

Initial audit observation was issued on 09.12.2024. The management replied that post flood 2022, the Asian Development Bank (the Donor) repurposed the loans L3473, L3474, G0639 for 100% financing of new sub-projects for rehabilitation/reconstruction of flood 2022 affected disaster risk reduction (DRR) structures.

The reply was not tenable because no documentary evidence regarding 100% sharing out of loan 3474 was provided in support of reply. Moreover, NDRMF provided documentary evidence wherein, ADB agreed to finance 100% to the subprojects reconstruction / rehabilitation affected due to Flood

2022 out of Loan 3473 and G 0693. However, documentary evidence showing that the subprojects were actually damaged due to Flood 2022 was not provided in support of reply. No documentary evidence was provided which clearly shows the consent of donor to finance 100% subprojects under Grant 0701.

The PAO was requested to convene DAC meeting. However, the same was not convened till finalization of this report.

Audit recommends that matter may be investigated.

(Para No. 1 of AIR 2023-24, NDRMF –Compliance Audit)

5.4.2 Non-imposition of liquidated damages – Rs. 7.607 million

According to the Schedule of Supply, the complete solution & equipment must be delivered / installed / commissioned within Ninety (90) working days from the date of Signing of the Contract.

Furthermore, according to the Clause 27.1 of the contract agreement, if the supplier fails to deliver any of all of the goods or the related services within the period specified in the contract, the purchaser may without prejudice to all its other remedies under the Contract, deduct from the Contract Price, as liquidated damages. The applicable rate for liquidated damages for delay shall be 0.5% per week of part thereof. The maximum amount of liquidated damages shall be 10% of the Total Contract.

NDRMF made payment of Rs. 304.274 million on account of procurement, supply & installation of it hardware, software including goods and related services to M/s National Engineers. Details are as under:

Sr. No.	Voucher No.	Date	Cheque No.	Project	Amount (Rs)
1	BPV-0550	22.03.2024	31209915-17	L-3474	71,330,966
2	BPV-0551	22.03.2024	43141345-47	L-3473	71,330,966
3	BPV-0680	3.05.2024	31209938	L-3474	68,369,294
4	BPV-0681	3.05.2024	43141387	L-3473	68,369,294
5	BPV-0682	3.05.2024	85594333	GOP	16,377,977
6	BPV-0812	05.06.2024	85594474	GOP	1,920,831
7	BPV-0831	06.06.2024	85594507	GOP	6,575,235
Total					304,274,563

During audit of NDRMF, it was observed that the complete solution & equipment was installed / commissioned on 30.06.2024 instead of within Ninety (90) working days from the date of Signing of the Contract i.e. 22.5.2024. However, liquidated damages amounting to Rs. 7,606,864 (0.5% x 5 weeks x 304,274,563) were not imposed.

Audit held that as the installation / commissioning of the equipment was not done within 90 (Ninety) days of the signing of the contract i.e. 22.5.2024, liquidated damages were required to be deducted from the payment of the contractor.

Initial audit observation was issued on 09.12.2024. The management replied that the Supplier under contract has accomplished primary job on 04.04.2024 which is well within contractual timeline, while rest of installation/commissioning work is solely dependent upon Site readiness. Site readiness was marred by other contractors/supplier contractual delivery schedule. Henceforth, delays factors related to the Site readiness due to other contractors/supplier delivery schedule, cannot be accounted for liquidated damages on said the Supplier. Management opines that in light of GCC Clause 32.2 of the contract *ibid*, delays origin is not due to negligence or lack of care on the part of the Supplier *ibid* hence imposition of liquidated damages are not applicable.

The reply of the management was not tenable because complete solution & equipment was installed / commissioned on 30.06.2024 instead of within Ninety (90) working days from the date of signing of the contract i.e. 22.5.2024.

The PAO was requested to convene DAC meeting. However, the same was not convened till finalization of this report.

Audit recommends that amount of Rs. 7.607 million may be recovered from the contractor.

(Para No. 9 of AIR 2023-24, NDRMF- Compliance Audit)

HR management/Organizational Management

5.4.3 Violation of Disbursement Manual resulting in irregular disbursement of funds directly to vendors by-passing FIPs – Rs. 7,055.755 million

According to Para 11.3.2 (i) of Grants Disbursement Manual of NDRMF, a Fund Implementation Partner (FIP) shall open and operate a dedicated Assignment or Special Drawing Account for the receipt of grant financing share from the Fund. The Fund shall transfer its share of grant financing to the Consolidated (non-food) Account of the respective Provincial Government and the Finance Department shall release the entire amount of the provided funds by the Fund to the respective FIP's account.

National Disaster Risk Management Fund (NDRMF) signed into Grant Implementation Agreement to the various FIPs amounting to Rs. 7,055.755 million. NDRMF made payment directly to the vendors / supplier after obtaining necessary documentation i.e. withdrawal application from FIP, payment summary and indemnity certificate and invoice. Details are at annexure-XXVIII.

During audit of National Disaster Risk Management Fund (NDRMF) for the financial year 2023-24, it was observed as under:

- i. Funds totaling Rs. 7,055.755 million were disbursed without opening Assignment or Special Drawing Accounts, violating established financial procedures.
- ii. Payment to the vendor based on limited documentation provides insufficient audit evidence and disrupts the audit trail. The payment was processed by NDRMF, while key procurement documents i.e. bidding documents, vendor bids, committee records, and inspection reports were retained by FIPs.
- iii. If the funds had been disbursed through an assignment account, the relevant Field Audit Office of Auditor-General of Pakistan would have conducted audit during compliance, FAP,

Certification as the funds were provided from public exchequer / non-food account.

Audit held that disbursing funds directly to vendors without opening assignment account was violation of rules and this practice has led to an incomplete audit trail, limiting transparency and accountability. Additionally, it prevented essential compliance audits by the relevant Field Audit Office, risking procedural non-compliance and missed opportunities for monitoring and corrective action. In absence of compliance audit by Department of AGP, payment made amounting to Rs. 7,055.755 million cannot be authenticated.

The management replied that the NDRMF Board approved the Grant Disbursement Manual in its 11th meeting on December 12, 2018, with the Direct Payment Procedure outlined under para 10.1. Amendments to relevant sub-clauses were approved in the 35th meeting held on June 21 and July 13, 2023, for improved implementation of GIAs. GIAs include both Direct and Advance Payment Procedures under clause 6.2. Direct payments, totaling PKR 6,310.255 million, were made to vendors as per signed agreements and supported by required documentation. No assignment account was required for direct payments, and procedures complied with the Grant Disbursement Manual. Cheques were endorsed by AGPR, ensuring adherence to Revolving Fund Account Procedures. FIPs are obligated to maintain records and submit audited financial statements and reports within six months after the fiscal year, as stated in GIA clause 8, ensuring transparency and accountability.

The reply of the management was not satisfactory, BoDs approved the method of payment to FIPs through already opened departmental accounts/ dedicated assignment account or normal current account in any National Bank Branch along with direct payment to vendors. Whereas, Fund made payment directly to the vendors instead opening of assignment account / dedicated bank account to ensure transparency as heavy procurements were made by the department and limited documentation was available with the Fund before making payment. Furthermore, direct payment to the vendors / suppliers break audit trails and other financial implications at the time of audit.

The PAO was requested to convene DAC meeting. However, the same was not convened till finalization of this report.

Audit recommends that responsibility be fixed on the officer(s) for the deliberate omission and violation of rules.

(Para No. 5 of FAP Audit NDRMF- 2023-24)

5.4.4 Non-operationalization of Enterprise Resource Planning (ERP) system – Rs. 14.120 million

According to Para 1.11 of Appendix 1 Design and Monitoring Framework of Project Administration Manual (PAM) of NDRMF, the NDRMF established, made operational and develop, test, and deploy a comprehensive ERP system for the Fund by Q4 2018.

National Disaster Risk Management Fund (NDRMF) procured services of SAP ERP and made payment as license fee amounting to Rs. 14.120 million on Human Resource, Financial Management and Materials modules during the financial year 2023-24. Payment details are as under:

Sr. No.	Date	Voucher No.	Vendor	Particulars	Amount (Rs)
1	15-Nov-23	BPV-0227	Tally Marks Consulting Pvt. Ltd	Hosting services of SAP ERP system	2,000,000
2	27-Feb-24	BPV-0418		Hosting services of SAP ERP system	1,000,000
3	2-May-24	BPV-0677		SAP annual maintenance charges 2022-24	10,120,340
4	6-Jun-24	BPV-0826		Hosting services of SAP ERP system	1,000,000
Total					14,120,340

During audit of National Disaster Risk Management Fund (NDRMF) for the financial year 2023-24, it was observed as under:

- i. Human Resource module was implemented and operationalized to the extent of data entry and review of reports etc. However, modules of Financial Management and Materials management Modules could not be utilized during the financial year 2023-24.

Moreover, a separate software / license titled Quick Books were purchased and utilized for Financial Management only.

- ii. NDRMF disburse payment and incurred expenditure for various projects through FIP amounting to Rs. 9,401.242 million. Certain projects were also closed / completed and completion certificates were issued to the quarter concerned. However, all the payments and completion reports were processed without an ERP.

Audit held that non-operationalization of ERP system was violation of rules and wastage of resources. Moreover, process of projects payment and issuance of completion certificate without operationalization of ERP system was also weak internal controls.

The management replied that after implementing SAP ERP system at NDRMF in 2023, technical challenges arose due to limited in-house capacity. In 2023-24, an experienced SAP consultant was engaged to resolve issues and enhance system utilization. With their support, the HCM module was fully operationalized, and the Finance module transitioned from QuickBooks to the SAP FI module, which is now exclusively used for financial transactions. The Material Management (MM) module was not utilized in 2023-24 due to missing procurement workflows. Development of these workflows is underway, with plans to fully operationalize the MM module in 2024-25. SAP HCM and FICO modules are functional as of June 2024 and available for audit team review.

The reply of the management was not satisfactory as SAP ERP system was procured and payment was made to the vendor since 2022-23. However, the ERP system could not functional despite lapse of considerable time. Moreover, Fund was making billion of payment on accounts of financing to projects in absence of complete implementation of ERP system internal controls will not be strengthened.

The PAO was requested to convene DAC meeting. However, the same was not convened till finalization of this report.

Audit recommends that SAP-ERP system may be implemented in the NDRMF as conceived for effective strengthening internal controls.

(Para No. 10 of FAP Audit NDRMF- 2023-24)

Disaster Risk Management (Response, Rescue, Recovery and Rehabilitation)

5.4.5 Failure to undertake Disaster Risk Reduction (DRR) activities by NDRMF despite availability of profit amount – Rs. 7.808 billion

According to para 5.5 Subsidiary Grant Agreement, to ensure the financial viability and sustainability of NDRMF, the NDRMF shall ensure that, unless ADB agrees otherwise, earnings generated from the endowment fund shall be used for (a) the NDRMF's recurrent cost starting from the fourth year of the NDRMF's operation, (b) additional investment in interest / profit bearing securities and (c) financing of disaster risk reduction activities, as approved, from time to time, by its board of directors.

National Disaster Risk Management Fund (NDRMF) earned profit amounting to Rs.7.808 billion on principal funds Rs. 12.591 billion during the financial year 2017-2018 to 2023-24.

During audit of National Disaster Risk Management Fund for the financial year 2023-24, it was observed that NDRMF had invested endowment fund in interest / profit bearing securities ranging from one year to five years. NDRMF since its inception could not undertake Disaster Risk Reduction activities and projects out of the earnings from Endowment Funds.

Audit is of the view that non-initiation and non-execution of DRR activities by the Fund, defeated the very purpose of the establishment of NDRMF as core objective of the Fund was Disaster Risk Reduction.

The management replied that in FY 2024-2025, the NDRMF Board approved a budget of PKR 703.25 million for program financing, sourced from profits generated by the Endowment Fund investments. Previously, in FY 2019-2020, NDRMF contributed approximately PKR 3.2 billion from these earnings to enhance emergency response and preparedness for COVID-19.

The reply of the management was not satisfactory as detail of total number of FIPs short listed and details of accredited FIPs to finance the project along with cost out of endowment fund was not provided in support of reply.

The PAO was requested to convene DAC meeting. However, the same was not convened till finalization of this report.

Audit recommends that the management should take necessary steps to undertake DRR activities and projects so as to create resilience against the disasters and minimize the risks of loss of lives and property.

(Para No. 14 of FAP Audit NDRMF- 2023-24)

5.4.6 Delay in development of two priority financing instruments based on Disaster Risk Financing Strategy

According to Para 3.01 (C) of Loan Agreement No. 3473-PAK dated 2nd December 2016, quantitative risk modelling analysis was to be made to develop a comprehensive national disaster risk financing strategy and development of two priority financing instruments specified in the national disaster risk financing strategy.

Asian Development Fund (ADB) granted loan to Government of Pakistan to establish National Disaster Risk Management Fund (NDRMF), operationalize the Fund and support Disaster Risk Reduction Projects. One component of the loan was to develop a comprehensive national disaster risk financing strategy and development of two priority financing instruments specified in the national disaster risk financing strategy. Accordingly, Fund formulated and got approved the Disaster Risk Financing strategy vide notification dated 27.06.2024.

During audit of NDRMF for the financial year 2023-24, it was observed that NDRMF developed and got approval of the subject strategy. However, development of two priority financing instruments based on DRF strategy and piloting one instrument could not be initiated despite availability of profit from endowment fund.

Audit held that non-development of financing instruments adversely affected the pace of DRR and mitigation measures to cope with disasters.

Initial audit observation was issued on 09.12.2024. The management replied that development of two priority-financing instruments was dependent

on completion of Natural Catastrophe Modelling (NatCat) by the SUPARCO, and finalization of DRF Strategy. Post flood 2022, the available loan amount was repurposed for reconstruction and rehabilitation projects, and it was decided by the Asian Development Bank (ADB) that due to unavoidable delays in NatCat and finalization of the DRF Strategy, there will be no time for development and execution of two DRF instruments and their pilot testing under Output 3. Therefore, the development of DRF instrument was dropped from the revised DMF (Design Monitoring Framework), and target was to finalize and approve the DRF Strategy, as convey by the ADB Letter – Bullet Pont No. iii (Annex 1A). The revised DMF is also attached as Annexure 8A.

The reply of the management was not tenable as development of DRF Strategy without development of two priority financing instruments and piloting one instrument will not be fruitful and non-achievement of intended objectives as conceived at the time of project. The deletion of development of financing instrument and implementation was due to time constraints of Loan. However, NDRMF has sufficient resources in shape of profit from Endowment Fund and the core objective of the endowment fund was to support DRR projects. Hence, the efforts for development of instrument besides implementation of one came under the ambit of NDRMF. However, no efforts were made for development of financing instruments and implementation of the same to achieve the core objective of the DRF Strategy / DRR.

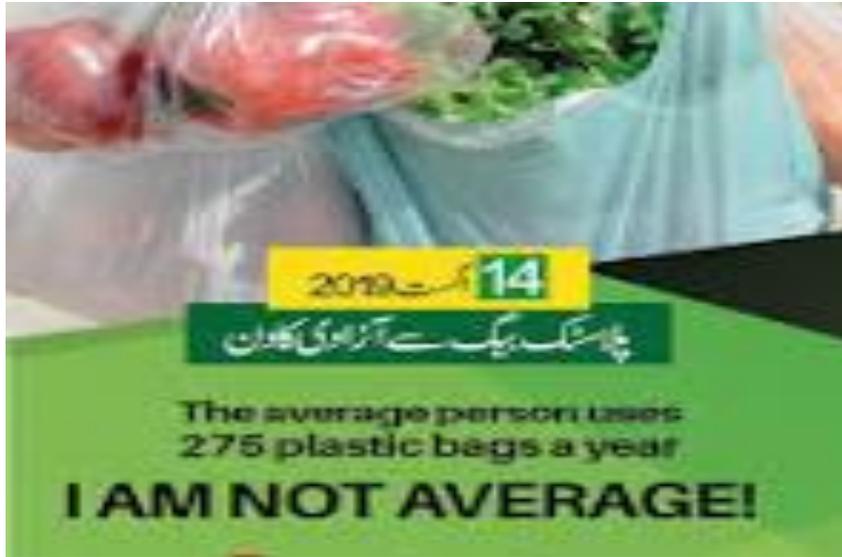
The PAO was requested to convene DAC meeting. However, the same was not convened till finalization of this report.

Audit recommends that NDRMF should introduce the financing instruments to manage disaster-related compensations.

(Para No. 8 of AIR 2023-24, NDRMF- Compliance Audit)

Chapter 6

Impact Audit of Policy Initiative regarding ‘Ban on the Use of Plastic Bags by the Federal Government of Pakistan in Islamabad Capital Territory (ICT)’



6.1 Introduction:

Impact audits are aimed at determining impact of initiatives or programs. Specifically, impact audit focuses on determining the outcome results attributable to an initiative, defined as a new program or recent change to an existing program. It answers cause and effect questions about the outcome results auditable to an initiative by separating other contributing factors or variables, and what is the adequacy of the results. The Directorate General Audit (Climate Change and Environment) planned an impact audit of Policy Initiative regarding ‘Ban on the Use of Plastic Bags by the Federal Government of Pakistan in Islamabad Capital Territory (ICT) in the Audit Plan 2024-25 of the Field Audit Office (FAO).

Plastic pollution has become a global environmental concern, prompting governments worldwide to take action. According to UN

Environment, up to 5 trillion of plastic bags are consumed globally each year. As such, a majority of policies are set to target plastic bags, particularly on non-recyclable Low Density Polyethylene (LDPE) bags. Many countries have already adopted some forms of policies to regulate plastic bag usage, including:

- Bans/ restrictions on usage
- Standards for thickness thresholds & materials used and distributed
- Levies/ taxes targeting consumers or manufacturers

“Each time someone in Pakistan runs out to the store for a carton of milk, a half-pound of loose sugar or an after-school snack, it comes in a flimsy plastic bag that usually gets thrown away. If all those bags are added up, officials estimate, they total 55 billion a year. Easily torn and too weak to use again, they end up clogging city drains and sewers, piled up in vacant lots and parks, ingested by grazing goats and dogs foraging for food, and polluting canals and streams. The excessive consumption of single-use plastic bags in recent years has fueled plastic pollution leading to considerable adverse consequences for human health and the environment. The government has taken a drastic first step toward eliminating this public eyesore and environmental hazard. All single-use polyethylene bags will be banned in the capital region of about 1.5 million people¹⁹.”

6.2 Overview of the Initiative:

Recognizing the threat that single-use plastics pose to the environment, many countries have adopted several policies such as taxes, levies, incentives for using alternative cloth bags, awareness campaigns, and bans to discourage the use of plastic bags. “The United Nations recognizes the importance of the consumption patterns of the general public in goal number 12 of the Sustainable Development Goals (SDGs) and aspires to make them more sustainable (United Nations General Assembly, 2015), therefore policies such as awareness campaigns, incentives for alternate-bag use and some levies are targeted towards consumers of these plastic bags. However partial or complete bans on

¹⁹ Website “https://www.washingtonpost.com/world/asia_pacific/pakistan-moves-to-ban-single-use-plastic-bags-the-health-of-200-million-people-is-at-stake/2019/08/12/”.

single-use plastic bags and imposing levies are the most commonly adopted policies around the world²⁰.”

In response to the significant plastic pollution and its adverse effects in Islamabad Capital Territory (ICT) Pakistan, the Pakistan Environmental Protection Agency (Pak-EPA) introduced following regulations:

i. Prohibition of Non-degradable Plastic Products (Manufacturing Sale & Usage) Regulation 2013

This regulation aimed to curb the production, sale, and use of non-degradable plastic products within the ICT. By restricting the manufacturing and usage of such products, it aimed to reduce plastic pollution and its environmental consequences.

ii. The Pakistan Environmental Protection Agency ban on (Manufacturing, Import, Sale, Purchase, Storage and Usage) Polythene Bags Regulations, 2019

These regulations specifically targeted polythene bags, prohibiting their manufacturing, importation, sale, purchase, storage, and usage within the ICT. This **comprehensive ban** sought to eliminate the widespread use of polythene bags & completely ban the single use plastic bags..

iii. The Single use Plastics (Prohibition) Regulation, 2023

Introduced in 2023, this regulation is more **strict & focused** on banning single-use plastics within the ICT. Single-use plastics, such as disposable utensils, straws and packaging materials, contribute significantly to plastic waste and environmental degradation. By prohibiting their use, the regulation aimed to promote sustainable alternatives and reduce plastic pollution in the region.

²⁰ Website “<https://www.ajpor.org/article/22265->”.

³<https://www.weforum.org/agenda/2021/11/4-ways-pakistan-is-tackling-plastic-waste-and-pollution/>

These regulations were published in the gazette aiming to address and mitigate the issue of plastic pollution in the region after consultation with the concerned ministries, departments and other relevant stakeholders. “In 2019, Pakistan became one of 128 countries with a single-use plastic (polythene) bag ban in place. Pakistan’s ban halted the production of 600,000 kilograms per annum²¹.”

“Pakistan Environmental Protection Agency Ban on (Manufacturing, Import, Sale, Purchase, Storage, and Usage) Polythene Bags Regulations, 2019” were conceived with the objective to reduce trash, remove hard to recycle bag from our solid waste system and to protect the environment.

6.3 Scope & Methodology

Scope

The scope of the impact audit assignment extended to examining the impact of ban on use of plastic bags in Islamabad Capital Territory (ICT). The impact audit covered the period of two years before the initiative i.e. 2017-18 and 2018-19 and period after the initiative i.e. 2019 to 2024 determine the impact of the intervention. Field Audit team obtained records from Pak-EPA, CDA and ICT District Administration.

Impact audit focused on following areas:

- i) Analyzing the use of polythene bags in ICT involves examining quantities manufactured, imported, and exported, fines or challans imposed, quantities confiscated, and changes in behavior among sellers, retailers, and consumers.
- ii) Assessing the mechanism of segregation of waste, recycling of polythene bags or any other method / strategies devised to mitigate the adverse environmental effects of polyethylene bags.

²¹ Website “<https://www.ajpor.org/article/22265->”.

³<https://www.weforum.org/agenda/2021/11/4-ways-pakistan-is-tackling-plastic-waste-and-pollution/>

Methodology

The data was gathered by applying procedures like inquiries from the management, document review, analysis of monitoring reports, citizen feedback, surprise visits and collection, interpretation and analysis of primary and secondary data. In order to verify and quantify the impact of ban on plastic bags initiative following methodology was adopted to see it with condition and without condition:

Sr. No	Aspect	Condition without	Condition with
1.	Manufacture, Import, Purchase, Trade, Store and Distribution Sale, Use, Supply and	Polythene bags were allowed before 2019 under Prohibition of Non-degradable Plastic Products (manufacturing, sale and usage) Regulation 2013.	Banned in ICT
2.	Authorization to manufacture and import for specific purposes	Polythene bags were allowed before 2019 under Prohibition of Non-degradable Plastic Products (manufacturing, sale and usage) Regulation 2013.	The Manufacturing and Import may be regulated for flat polythene bags to be used for permissible purposes as per rule 4 of the regulation, 2019.
3.	Annual Recycling program report and compliance assessment	No such annual report regarding recycling plan implementation was submitted.	Each manufacturer and importer shall submit recycling report for previous year recycling program. (collection point, weight in kilograms, pre-consumer & post consumer recycled content, educational material)
4.	Administrative penalty	No penalty	Upon violation of regulations, penalties are imposed
5	Public awareness, behavior change, and Stakeholder engagement.	No such policy was adopted.	Different ways are used to create awareness among public with collaboration of different stakeholders(CDA, DA, MC)

6.4 Findings

4.1. Ban on Single use of plastic bags

4.1.1. Manufacture and Import

Condition without:

Prior to Regulations 2019, no ban was imposed on the manufacture, import, sale, purchase, use, trade, supply, storage and distribution of polythene bags.

Condition with:

The Pakistan Environmental Protection Agency (Pak EPA) Regulation 2019 imposes a comprehensive ban on the manufacture, import, sale, purchase, use, trade, supply, storage and distribution of polythene bags.

Impact

i. Manufacturer:

Pak EPA closed the one or two manufacturing units operating their business in the ICT which reflects an impact upon the closure of businesses and non-production of polythene bags.

ii. Imports:

As per Pak EPA ban on polythene bags Regulation 2019, imports means import of polythene bags in ICT through any means including air, roads, and railways. Polythene bags were imported from other provinces i.e. Khyber Pakhtunkhwa and Punjab. Islamabad and Rawalpindi are twin cities, usually as per interview with the public, business man and Pak EPA management, a considerable quantities were being imported in ICT. However, a mechanism was not developed to control the import of polythene bags from Rawalpindi. Due to illegal import of polythene bags resulting into sale, purchase, use, trade, supply, storage and distribution could not be controlled.

4.1.2. Impact of ban on business related to Sale, Purchase, Trade, Supply, Store and Distribution of polythene bags:

Condition without:

Prior to Regulations 2019, no ban was imposed on the sale, purchase, trade, supply, storage, and distribution of polythene bags.

Condition with:

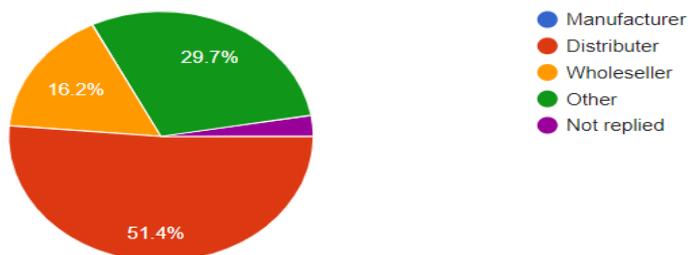
The Pakistan Environmental Protection Agency (Pak EPA) Regulation 2019 imposes a comprehensive ban on the sale, purchase, trade, supply, storage, and distribution of polythene bags.

Impact:

The field audit team conducted a survey of the ICT obtaining valuable insights from various stakeholders involved in the polythene bags industry including manufacturers, importers, distributors and retailers. A total of 37 different respondents were interviewed using a structured questionnaire. The following analysis presents the findings from this survey:

1. Type of your Business

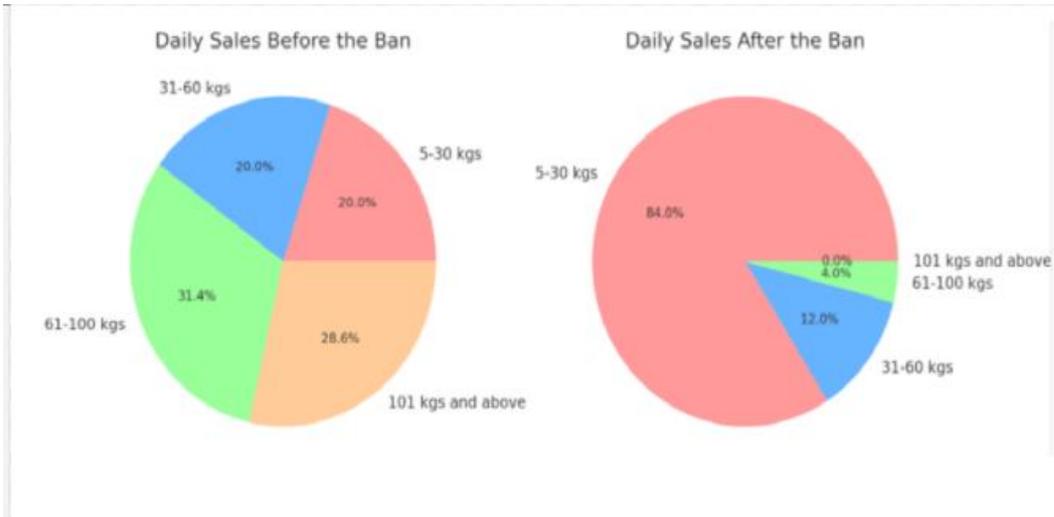
37 responses



i. Sales Before and After the Ban

Before the ban on polythene bags, **56%** of businesses reported an average daily sales volume of **61 kgs or more** of polythene bags, with **29.7%** of these businesses selling over **100 kgs** per day. However, following the imposition of the ban by Pak-EPA, the survey revealed a significant reduction

in sales. Currently, **58.3%** of businesses report selling only **5-30 kgs** of polythene bags per day. This substantial decrease in sales highlights the positive impact of the ban, indicating a successful reduction in the use of polythene bags and supporting the environmental objectives of the regulation.

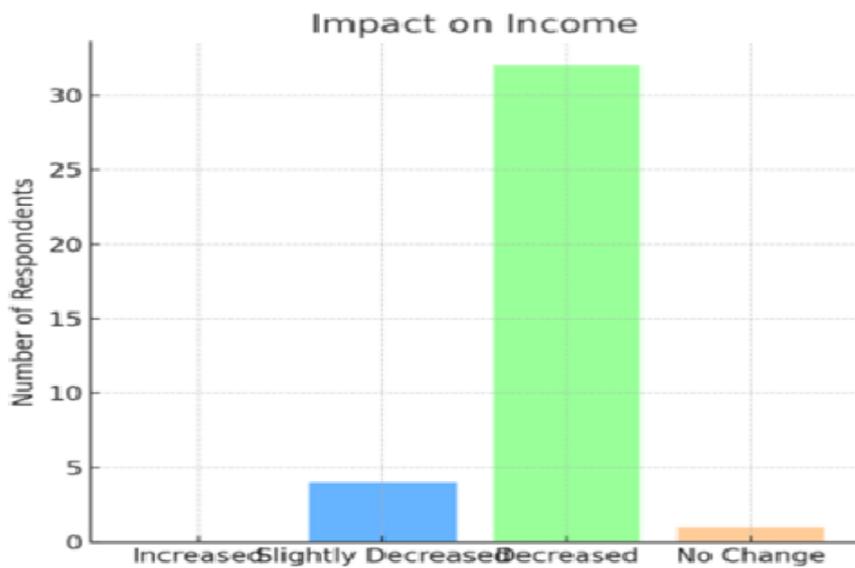


ii. Decrease in Sales of Business

The analysis further revealed a significant decrease in the sale of polythene bags, leading to a reduction in their usage.



97.30% of businesses reported a decrease in their income due to the ban. Only **2.7%** of businesses reported no change in their income.

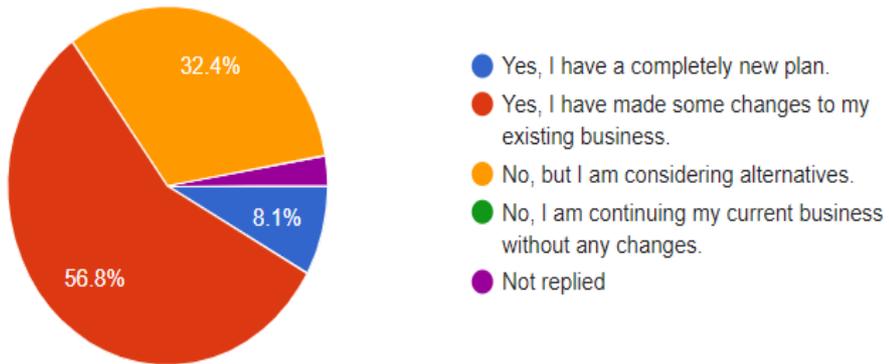


iii. Shifting of businesses to Alternatives

In response to the question about changes in their current business due to the ban on polythene bags, 8.10% of respondents have already successfully shifted to a new business plan. Additionally, 56.80% of businesses have made changes to their current operations, while 32.40% are considering further adjustments to adapt to the new regulations.

Have you prepared any alternative business plans after the plastic ban?

37 responses

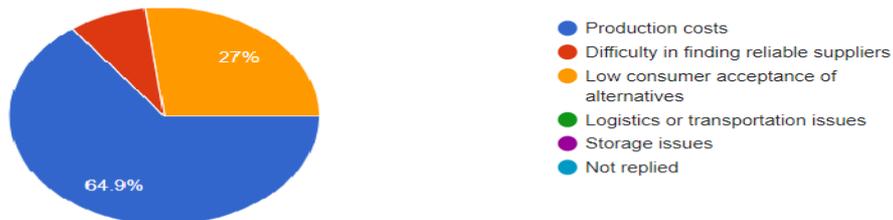


iv. Challenges in Adopting Alternatives

The primary challenge is the high production costs (64.9%), followed by 27% low consumer acceptance. These issues indicate that businesses are struggling to provide cost-effective alternatives to polythene bags.

Have you faced any difficulties in providing or obtaining alternatives to polythene bags? (Select all that apply)

37 responses

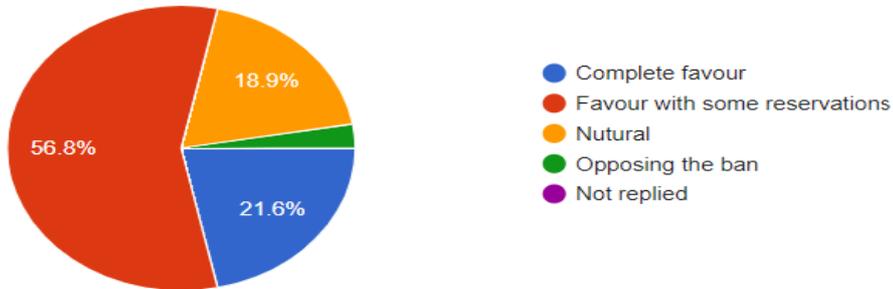


v. **Businessmen behavior**

The survey revealed that 56.80% of the respondents / business are in favour of the ban with some reservations while 21.60% had favoured the ban. Another 18.90% remained neutral while only 2.71% has opposed the ban on polythene bags.

What is your opinion about ban on use of polythene bags?

37 responses



4.1.3. Impact of ban on Use of Polythene bags in the MCI-ICT occasional Bazars, Branded Outlets and individual shop keeper situated in various markets of ICT

The Field Audit Team conducted a survey using a questionnaire and observations to gather feedback. The team visited MCI-ICT occasional markets, branded outlets and individual shopkeepers in various markets to understand how businesses were adapting to the ban and whether they were using alternatives to polythene bags.

Condition without:

Prior to Regulations 2019, no ban was imposed on the use of polythene bags.

Condition with:

The Pakistan Environmental Protection Agency (Pak EPA) Regulation 2019 imposes a comprehensive ban on the use of polythene bags.

Impact:

i. Municipal Corporation Islamabad (MCI), ICT occasional markets and branded outlets

The feedback from the survey showed that there is a clear division in the implementation of the polythene bag ban within the Islamabad Capital Territory (ICT). In centrally managed areas such as the MCI-ICT occasional markets and branded outlets, businesses have successfully transitioned to alternatives to polythene bags. This shift has been well received, especially since these markets attract a large number of customers who now benefited from the use of environmentally friendly alternatives.

ii. Individual shopkeepers

The survey also found that individual shopkeepers and hawkers in various markets across ICT continue to use polythene bags. Despite the high customer traffic in these areas, the transition to alternatives has not been as widespread. This contrast highlights the need for more focused efforts to ensure that all types of businesses, particularly those frequented by a large customer base, comply with the ban and adopt eco-friendly alternatives. The details are as under:

Sr. No.	Business Area	Area	No. of Shops visited / observed	No. of shops Using Polythene Bags	No. of shops Using Bio-degradable / Jute bags
1	ICT Bazaar managed by MCI	Margalla Bazar H-9	1000	10	990
		Aabpara Bazaar G-6	500	13	487
		G-10 Bazaar	300	15	285
		1-9 Bazaar	100	10	90
Total			1900	48	1852
2	Branded outlets / Chain Stores	Foot Wears	30	0	30
		Bakers	15	0	15
		Clothing	25	0	25
		Grocery Malls	15	0	15
		Food Chains	10	0	10
		Pharmacy	10	0	10
Total			105	0	105

3	Mega Commercial Area (Constituted on Whole sale and retailers)	G-9	40	35	5
		G-10	15	12	3
		Bara Kahoo	35	31	4
		Khana Pull	50	46	4
		Abpara Market	20	17	3
		Super Market G-6	25	21	4
		Bari Imam Bazar	26	26	0
		Total	211	188	23

* The field audit team attempted to gather data on polythene bag usage from branded outlets before and after the ban. Some outlets refused to provide information, while others gave inconsistent data, making analysis difficult.

4.1.4. Impact of ban on Public Behavior, Stakeholder engagement and Socio economic

Audit Team conducted a survey using a structured questionnaire to gather feedback from the general public regarding the impact of ban on Public Behavior, Stakeholder engagement and Socio economic. The survey aimed to assess public perception, behavior changes, and awareness of the 2019 regulations.

Condition without:

Before the 2019 regulations, no ban on polythene bags existed, so there was no need to raise awareness among users.

Condition with:

With the 2019 regulations, a ban on polythene bags was introduced, requiring efforts to raise awareness among users about the ban and alternatives.

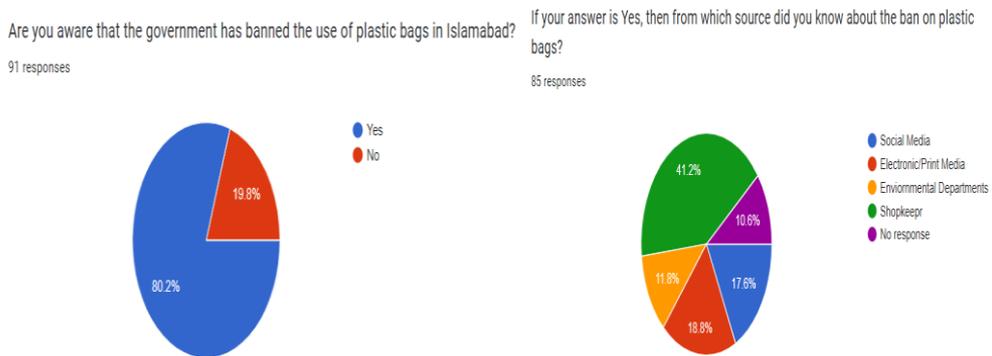
Impact

The Ministry of Climate Change, along with Pak EPA and key stakeholders, launched widespread awareness campaigns to educate the public about the harmful effects of polythene bags. Collaborative efforts with retailers and businesses further reinforced the message by encouraging customers to switch to sustainable packaging options, with fines imposed on those violating the ban to ensure compliance. The collected responses have been analyzed and

are presented below in the form of pie charts for easy visualization of key trends and insights.

i. Public Awareness:

The survey showed that 80.2% of the respondents were aware of the polythene bag ban in ICT, with 41.2% attributing their awareness to shopkeepers who refused to provide bags due to fear of fines. This underscores the critical role of shopkeepers in spreading awareness through compliance with the ban.



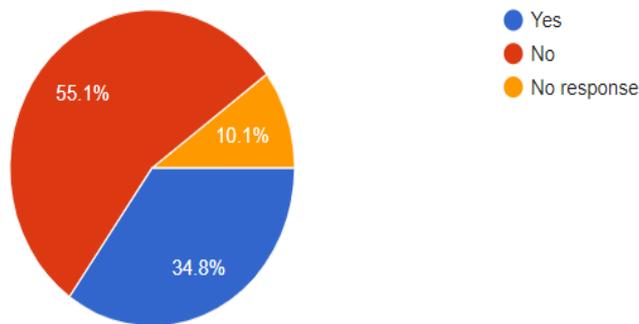
ii. Behavioral Change:

• Customers:

The survey feedback revealed that 34.8% of the selected population sample reported a change in behavior, as they now bring alternatives to polythene bags from home. This shift can be attributed to the combined efforts of awareness campaigns and the enforcement of fines, which have successfully encouraged the public to adopt eco-friendly practices and reduce their reliance on plastic bags.

When you go for buying do you take an alternative to polythene bags with you from home?

89 responses

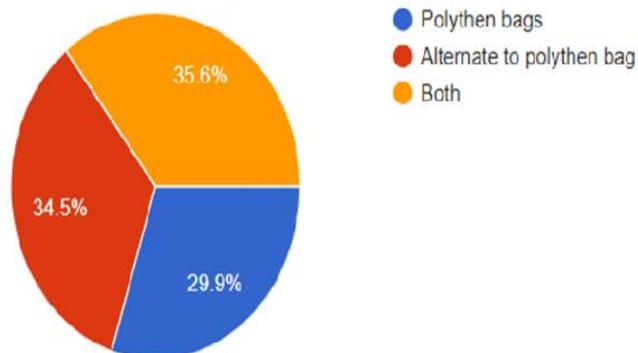


- **Stakeholders:**

The survey revealed that 34.5% of respondents indicated that shopkeepers now provide alternatives to polythene bags, while 35.6% noted that shopkeepers offer both polythene and alternative bags. In contrast, 29.9% of respondents reported that shopkeepers still provide only polythene bags. This distribution highlights a gradual shift towards greater availability of eco-friendly options, reflecting the impact of awareness campaigns and regulatory measures in encouraging more sustainable practices.

When you go for buying, what kind of bag does the shopkeeper give you for the items you purchased?

87 responses



iii. Socio economic effects

The survey results indicated that 49.4% of the population reported that shopkeepers charge customers for providing alternatives to polythene bags, while 29.2% mentioned that only a few shopkeepers charge such cost. This suggests a significant proportion of the market has adapted to the cost of alternatives, though not uniformly across all retailers.

Do the shopkeepers charge cost for alternatives to polythene bags?

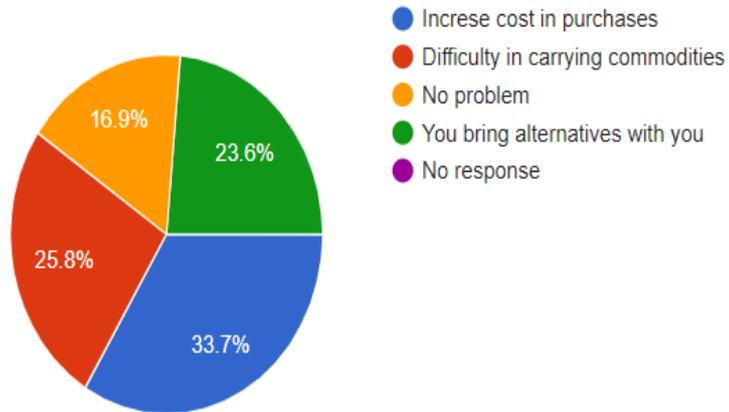
89 responses



Additionally, 33.7% of respondents expressed concerns about increased shopping costs due to the ban on polythene bags, and 25.8% faced difficulties in carrying alternatives from home. These findings highlight the challenges consumers face in adjusting to the ban, including both financial impacts and logistical issues.

Have you faced any problems due to the ban on polythene bags?

89 responses

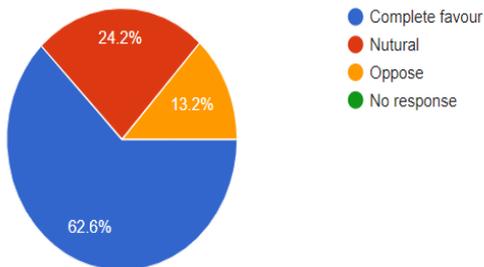


iv. Public opinion on the ban on polythene bags.

The survey results reveal a generally positive response from the public regarding the ban on polythene bags. With 62.6% of respondents in favor of the ban, there is a strong endorsement of the regulation's environmental goals. Additionally, a significant 87.5% expressed a willingness to continue using alternatives to polythene bags in the future. This positive sentiment reflects growing public support for sustainable practices and a willingness to adapt to eco-friendly solutions despite some challenges and costs associated with the transition.

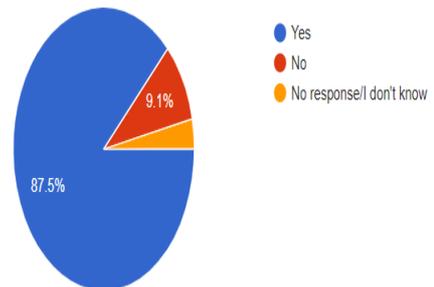
What is your opinion on the ban on polythene bags?

91 responses



Will you continue to use alternatives to plastic bags in the future?

88 responses



4.2. Use of flat plastic bags authorized for specialized purposes

Under Rule 4 of the Pakistan EPA Ban on Polythene Bags Regulation 2019, the Federal Agency allows the manufacture, import, and use of polythene flat bags under terms and conditions for specific purposes like industrial packing, municipal waste, and hazardous waste. These regulations include key requirements such as a review of applications from manufacturers or users, a detailed recycling plan, submission of a recycling program report, a compliance assessment report to ensure adherence to the rules, and proper labeling of the polythene bags. These conditions aim to control the environmental impact and ensure responsible use and disposal of polythene bags.

According to Rules 7, 8, 9, 10, 11, and 12 of the regulations, the following key points were noted:

1. **Recycling Plan:** Manufacturers and importers was required to submit recycling plans under the Extended Producer's Responsibility (EPR) framework to support the collection and recycling of flat bags. These plans were required to be uploaded to the Federal Agency's website, indicating progress in meeting environmental goals.
2. **Recycling Program Reports:** Manufacturers and importers were required to submit recycling program reports detailing the weight and percentage of polythene bags manufactured or imported, and the quantities recycled. Pak EPA was required to conduct evaluations of these reports to ensure compliance with laid-down rules.
3. **Compliance Assessment Reports:** These reports, was required to be submitted by manufacturers and importers, to be analyzed by the Federal Agency to assess their adherence to regulations.
4. **Labeling and Authorized Manufacturers:** A mechanism was required to be developed to ensure proper labeling of flat bags and to verify that only authorized manufacturers and importers were supplying these bags and responsible for collection and recycling. This mechanism helps maintain control over the distribution of polythene bags for specialized purposes.

Condition without:

Before the 2019 regulations, ban was not imposed on polythene bags.

Condition with:

After the 2019 regulations, flat polythene bags were allowed to manufacture, import, and use under terms and conditions for specific purposes.

Impact:

The lack of a centralized, accessible database on authorized flat bags has limited the ability of Pak EPA to fully enforce its regulations. While efforts have been made to develop recycling plans, evaluate program reports, and ensure labeling, the absence of comprehensive data affects the transparency and effectiveness of the enforcement process. This gap could lead to non-compliance with the regulations, resulting in unmonitored production and use of polythene bags, which may contribute to environmental pollution. Improving data management and maintaining a robust system for tracking authorized manufacturers, recycling efforts, and compliance assessments will be essential for achieving the long-term environmental goals of the regulation.

4.3. Impact of measures taken to manage the polythene waste in environment

Rule 17 of Pak EPA Regulation, 2019 ban on Polythene bags, Federal Agency in consultation with Metropolitan Corporation of ICT, Capital Development Authority (CDA), District Administration of ICT and other stakeholders shall provide guidance on measures to manage the existing polythene waste in environment as well as that which will be generated from the exempted uses or application with in six month of commencement of regulation.

Condition without:

Before the 2019 regulations, ban was not imposed on polythene bags.

Condition with:

After the 2019 regulations, Pak EPA in consultation with Metropolitan Corporation of ICT, Capital Development Authority (CDA), District Administration of ICT and other stakeholders shall provide guidance to manage the polythene waste in environment.

Impact

Audit reveals considerable challenges in coordinating these efforts, particularly in establishing an effective waste management system in consultation with Metropolitan Corporation of ICT, Capital Development Authority (CDA), District Administration of ICT and other stakeholders. These gaps undermine the intended goals of the regulation, leaving room for potential environmental harm and regulatory inefficiencies.

Conclusion

The Impact Audit of the ban on plastic bags under the Pakistan Environmental Protection Agency (Pak EPA) Regulation 2019 for the Islamabad Capital Territory (ICT) reveals significant progresses toward achieving environmental sustainability. While the regulation has generated positive outcomes, several challenges remain that require focused efforts to ensure the policy's long-term success.

Key Positive Impacts:

1. **Reduction in Polythene Bag Usage:** The regulation has successfully curtailed the sale and distribution of polythene bags. Sales have dropped drastically, with 58.3% of businesses reporting significantly reduced volumes post-ban. This reflects meaningful progress in reducing environmental hazards caused by single-use plastics.
2. **Shifts in Business Practices:** A majority of businesses have adapted to the ban by exploring alternatives or modifying their operations, with 64.9% of businesses identifying high production costs as the primary challenge in adopting alternatives. Public and business sentiment shows

considerable support for the ban, as 78.4% of stakeholders favor it with varying degrees of enthusiasm.

3. **Improved Public Awareness and Behavior:** Extensive awareness campaigns and enforcement measures have driven significant behavioral changes among consumers. Over 34% of customers now carry alternatives to plastic bags, showcasing a shift toward sustainable practices. Stakeholders are gradually adopting bio-degradable and jute bags, particularly in well-managed markets like branded outlets and occasional bazaars.
4. **Controlled Use for Specific Applications:** The regulation allows the use of flat polythene bags, but only for specific purposes like industrial packing or handling hazardous waste. These bags can only be made, imported, or used under strict rules to ensure they don't harm the environment. This approach gives businesses the flexibility they need for these special uses while still protecting the environment from unnecessary plastic pollution.

Challenges and Areas for Improvement:

1. **Incomplete Enforcement:** The absence of a robust mechanism to control the illegal import and distribution of polythene bags, especially from neighboring regions like Rawalpindi, undermines the policy's effectiveness. Focused measures are needed to seal these loopholes.
2. **Variable Compliance across Business Types:** While branded outlets and managed markets comply effectively, smaller individual shopkeepers and hawkers show resistance or lack of adherence, highlighting the need for tailored enforcement and support mechanisms.
3. **Economic Implications for Businesses and Consumers:** The transition to alternatives imposes additional costs, which are often passed on to consumers. Businesses report reduced incomes, and consumers face higher shopping costs. Addressing these socio-economic concerns is vital for broader acceptance and sustainability.

4. **Polythene Waste Management:** The regulation's provisions for waste management have not been fully implemented. A lack of coordination between Pak EPA and local authorities has hindered the establishment of a comprehensive system to manage residual and exempted polythene waste.
5. **Data Transparency and Monitoring:** The absence of centralized data on authorized manufacturers and recycling plans limits regulatory enforcement and oversight. A centralized, accessible database is essential to ensure transparency, track compliance, and assess progress.

Conclusion and Recommendations:

The ban on plastic bags in ICT has laid a strong foundation for combating plastic pollution and promoting sustainable practices. However, addressing enforcement gaps, supporting businesses in transitioning to cost-effective alternatives, and improving waste management systems are crucial steps forward. Strengthening collaboration among stakeholders, enhancing public awareness, and leveraging technology for data management will help maximize the policy's impact and ensure its long-term success.

Annexures

MFDAC

Annexure-I

Sr. No.	Name of Entity	Para No. of AIR	Subject
1.	CDPs (ERRA)	2	Non-preparation / approval of PC-IV of completed projects / schemes
2.	CDPs (ERRA)	4	Non-removal of defects at the cost of contractor and non-issuance of TOC
3.	CDPs (ERRA)	5	Wasteful expenditure due to non-completion of work as per PC-I – Rs. 244.986 million
4.	CDPs (ERRA)	7	Over payment on account of claim amount to the contractor – Rs. 5.522 million
5.	CDPs (ERRA)	8	Non-obtaining of formal approval from PSC for adjustment/ re-appropriation of funds – Rs 1.299 million
6.	CDPs (ERRA)	9	Irregular payment to the contractor without execution of contract agreement – Rs. 338.694 million
7.	CDPs (ERRA)	10	Inadmissible payment against deleted works – Rs. 1.556 M
8.	CDPs (ERRA)	11	Overpayment due to non-utilization of available hard rock material – Rs. 1.073 million
9.	CDPs (ERRA)	12	Un-authorized payment of extra concrete for every additional thickness without measurement – Rs. 7.07 million
10.	CDPs (ERRA)	13	Over payment on account of Gate Valve with Chamber - Rs. 1.01 million
11.	CDPs (ERRA)	14	Irregular payment on account of dismantling of stone metaling - Rs 5.887 million
12.	CDPs (ERRA)	15	Non-conducting of internal Audit
13.	CDPs (ERRA)	20	Irregular change of scope of work due to non-construction of Pump rooms – Rs. 2.675 million
14.	CDPs (ERRA)	22	Irregular payment of variation order in Water Distribution (component-B) – Rs.11.455 million
15.	CDPs (ERRA)	23	Overpayment on account earth work under water distribution network component A – Rs. 288,873

Sr. No.	Name of Entity	Para No. of AIR	Subject
16.	CDPs (ERRA)	25	Inadmissible payment on account of General Items Rs. 90.908 million
17.	CDPs (ERRA)	26	Non execution of lighting network -Rs.11.060 million
18.	CDPs (ERRA)	27	Unjustified payment of design compensation amounting to Rs. 5.909 million
19.	CDPs (ERRA)	29	Non-achievement of the objectives as envisaged in the approved PC-1 – Rs. 56.987 million
20.	CDPs (ERRA)	31	Issuance of the performance certificate without completion of the work at site
21.	CDPs (ERRA)	32	Inadmissible payment for excess compaction of earthen embankment in BCDP - Rs 0.611 million
22.	CDPs (ERRA)	34	Overpayment on account of Shuttering and scaffolding – Rs. 10.122 million
23.	CDPs (ERRA)	35	Non-execution of Ancillary works related to safety measures-Rs. 14.167 million
24.	CDPs (ERRA)	36	Unverifiable payment on account of General Items –Rs. 19.454 million
25.	CDPs (ERRA)	37	Irregular payment on account of dismantling of stone metaling - Rs 1.764 million
26.	CDPs (ERRA)	38	Overpayment to contractor by allowing difficulty factor on General Items - Rs 2.165 million
27.	CDPs (ERRA)	40	Subletting of contracts – Rs 198.236 million
28.	CDPs (ERRA)	44	Irregular approval of project bills without scrutiny and proper procedure of approval of competent authority - Rs. 140.333 million
29.	ERRA HQ (Dev, Non-dev)	4	Non-Convening of ERRA Council meetings
30.	ERRA HQ (Dev, Non-dev)	5	Irregular Payment of Honorarium – Rs 8.071 million
31.	ERRA HQ (Dev, Non-dev)	6	Non-approval of annual Budget from ERRA Council
32.	ERRA HQ (Dev, Non-dev)	7	Un-authorized Payment of PM Secretariat Allowances and Cadre Allowance to ERRA Employees Rs. 6.405 million
33.	ERRA HQ (Dev, Non-dev)	8	Irregular expenditure in violation of Public Procurement Rules, 2004 Rs. 2.318 million
34.	ERRA HQ (Dev, Non-dev)	9	Non-conducting of internal audit of ERRA

Sr. No.	Name of Entity	Para No. of AIR	Subject
35.	ERRA HQ (Dev, Non-dev)	10	Non-conducting of physical verification of stores/stocks
36.	ERRA HQ (Dev, Non-dev)	11	Unjustified Retention of Off- Road Vehicles
37.	ERRA HQ (Dev, Non-dev)	12	Unjustified issuance of Cheques to the Officers for clearing residential utility bills instead of pay to relevant Government Departments– Rs. 1.007 million
38.	ERRA HQ (Dev, Non-dev)	13	Non-Maintenance of Record
39.	ERRA HQ (Dev, Non-dev)	14	Irregular Procedure for Subsuming of ERRA into NDMA
40.	ERRA HQ (Dev, Non-dev)	15	Unjustified Holding of Additional Charge Beyond Prescribed Period
41.	ERRA HQ (Dev, Non-dev)	16	Unauthorized Payment of Salary Liabilities – Rs.178.588 million
42.	ERRA HQ (Dev, Non-dev)	17	Unauthorized Payment of Good Service Pay – Rs.43.690 million
43.	ERRA HQ (Dev, Non-dev)	18	Irregular Appointment on Look After Charge.
44.	ERRA HQ (Dev, Non-dev)	19	Non-deposit of Deducted Education Cess into Government Treasury– Rs. 21.974 million.
45.	ERRA HQ (Dev, Non-dev)	20	Mismanagement of Assets by ERRA
46.	ERRA HQ (Dev, Non-dev)	22	Non-submission of six-monthly reports to the parliament
47.	ERRA HQ (Dev, Non-dev)	23	Non-Filing of Annual Statement of deduction of Income Tax from the Salary Rs. 42.709 million
48.	ERRA HQ (Dev, Non-dev)	24	Non deposit of Income Tax into Government Treasury - Rs 2,027.881 million
49.	ERRA HQ (Dev, Non-dev)	25	Non-deposit of Tajweed-ul-Quran Trust Cess into Government Treasury – Rs. 6.560 million
50.	NDMA Compliance Audit	3	Mis-procurement due to non-publication of bid evaluation report
51.	NDMA Compliance Audit	4	Mis-procurement of blankets on higher rates resulting loss to public exchequer – Rs. 251.8 million
52.	NDMA Compliance Audit	6	Mis-procurement and non-transparent hiring of chartered flights for transportation of relief items to Palestine – Rs. 172.28 million

Sr. No.	Name of Entity	Para No. of AIR	Subject
53.	NDMA Compliance Audit	7	Mis-procurement of canned food on higher rates– Rs. 13.20 million
54.	NDMA Compliance Audit	8	Irregular finalization of procurement process after expiry of bid validity time-Rs. 29.292 million
55.	NDMA Compliance Audit	10	Mis-procurement of SMD Video Walls – Rs. 68.320 million
56.	NDMA Compliance Audit	11	Irregular release on account of 4/5th GST to non-active taxpayer suppliers/firms – Rs. 106.064 million
57.	NDMA Compliance Audit	12	Non-imposition of liquidated damages – Rs. 4.722 million
58.	NDMA Compliance Audit	13	Non-posting of awarded contract on PPRA website
59.	NDMA Compliance Audit	14	Imprudent expenditure on Air Cargo transportation of relief goods from Pakistan to Palestine-Rs.172.828 million
60.	NDMA Compliance Audit	15	Undue favour to M/s Maris International by non-imposition of LD for delay supply of tents- Rs.32.818 million
61.	NDMA Compliance Audit	16	Mis-procurement of Generators - Rs 146.084 million
62.	NDMA Compliance Audit	18	Mis-procurement on account of provision of services – Rs.23.254 million
63.	NDMA Compliance Audit	19	Irregular release of 4/5th GST to M/s Masood Textile Mills – Rs. 4.726 million
64.	NDMA Compliance Audit	20	Irregular payment on account of transportation of relief goods – Rs. 50.924 million
65.	NDMA Compliance Audit	21	Un-authorized expenditure out of NDM Fund on POL– Rs. 72.71 million
66.	NDMA Compliance Audit	22	Non-deduction of withholding tax on account of air transportation charges paid to M/s FLYME Aviation, UAE – Rs. 6.914 million
67.	NDMA Compliance Audit	24	Irregular release on account of 4/5th GST to non-active taxpayer suppliers/ firms- Rs.982 million
68.	NDMA Compliance Audit	25	Un-authorized deduction of Advance Income Tax- Rs. 722.099 million
69.	NDMA Compliance Audit	26	Irregular expenditure on unauthorized appointments of staff over and above the sanctioned strength. Rs. 11.503 million

Sr. No.	Name of Entity	Para No. of AIR	Subject
70.	NDMA Compliance Audit	28	Irregular payment of salaries of retired project officers at higher rates - Rs. 12.984 million
71.	NDMA Compliance Audit	29	Irregular payment on account of cargo/ ground handling charges without competition Rs. 1.599 million
72.	NDMA Compliance Audit	30	Non-deposit of Sales Tax on services -Rs. 59.324 million
73.	NDMA Compliance Audit	31	Non-deduction of executive allowance- Rs. 0.585 million
74.	NDMA Compliance Audit	32	Irregular payment on account of Misc Services etc. without supporting vouchers – Rs. 11.438 million
75.	NDMA Compliance Audit	34	Non-conducting lab testing to ensure the delivered quantity as per agreed specification of Tents
76.	NDMA Compliance Audit	36	Non-conducting physical verification of procured stocks / stores procured in financial year 2023-24
77.	NDMA Compliance Audit	37	Non-existence of inventory management system in NDMA warehouse
78.	NDMA Compliance Audit	38	Non-transparent invoices of the suppliers with regard to sales tax- Rs. 872.791 million
79.	NDMA Compliance Audit	40	Un-authorized release of GST to suppliers without approval of the National Authority- Rs. 735.751 million
80.	NDMA Compliance Audit	44	Un-productive expenditure on construction of NEOC Building- Rs. 1,917.046 million
81.	NDMA Compliance Audit	46	Irregular execution of work for construction of NEOC building without allocated funds and Technical Sanction- Rs. 1,917.046 million
82.	NDMA Compliance Audit	47	Non-deduction of income tax from M/s NLC – Rs. 172.53 million
83.	NDMA Compliance Audit	53	Irregular execution of work for restoration and revamping of Orangi and Gujjar Nullah without Technical Sanction
84.	NDMA Compliance Audit	57	Non-filing of monthly return of withholding GST to FBR – Rs. 1,738.874 million
85.	NDMA Compliance Audit	59	Non-conducting of internal audit physical verification of store /stocks/ assets
86.	NDMA Compliance Audit	60	Non-establishment of National Institute of Disaster Management
87.	Pak-EPA Islamabad	4	Non-revision/updating of the rules and regulations and

Sr. No.	Name of Entity	Para No. of AIR	Subject
			non-achievement of the targets/goals outlined in the Year Book 2020-21
88.	Pak-EPA Islamabad	7	Non-establishment of NEQS for Distillery Effluents and Ethanol Manufacturing resulting in ineffective regulation of industrial pollution
89.	Pak-EPA Islamabad	8	Non-existence of mechanism for post monitoring of environmental approvals granted by Pak-EPA
90.	Pak-EPA Islamabad	9	Delay in finalization / approval of Initial Environmental Examination (IEE) and Environmental Impact Assessment (EIA)
91.	Pak-EPA Islamabad	10	Shortage of staff in Pak-EPA hindering environmental oversight
92.	Pak-EPA Islamabad	11	Non-investment of Clean Environment Fund – Rs. 31.583 million
93.	Pak-EPA Islamabad	12	Non-achievement of planned activities resulting in surrender of funds – Rs. 33.323 million
94.	Pak-EPA Islamabad	14	Unjustified deposit of receipt into Clean Environment Fund instead of Government Treasury – Rs 1.980 million
95.	Pak-EPA Islamabad	15	Non-maintenance of Register for notices for payment of administrative penalty
96.	Pak-EPA Islamabad	24	Unverifiable expenditure on POL and repair & maintenance of vehicles due to non-maintenance of record – Rs 5.342 million
97.	Pak-EPA Islamabad	25	Irregular procurement without open competition – Rs. 0.470 million
98.	Pak-EPA Islamabad	6	Non-revision/updation of National Environmental Quality Standards (NEQS)
99.	IWMB	1	Non-framing of the rules regarding minimum qualifications and other eligibility requirements for appointment of Chairman and private members of IWMB
100.	IWMB	2	Non-implementation of the directives of the IWM Board and non-preparation of draft strategic policies for better management of MHNP
101.	IWMB	5	Irregular payment of Eid Honorarium – Rs 3.891 million
102.	IWMB	8	Illegal payment through cross-cheques to employees instead of vendors – Rs 1.755 million

Sr. No.	Name of Entity	Para No. of AIR	Subject
103.	IWMB	9	Non-surrendering of anticipated savings to the Government – Rs. 1.289 million
104.	IWMB	10	Non-deduction of Sales Tax on Services – Rs. 90,000
105.	IWMB	11	Non-Deduction of Contributory Provident Fund (CPF) from the salaries of IWMB employees
106.	IWMB	12	Improper maintenance of cash book
107.	MoCC&EC	1	Delayed establishment and non-functioning of Pakistan Climate Change Authority since 2017
108.	MoCC&EC	2	Non-establishment of Pakistan Climate Change Fund
109.	MoCC&EC	3	Non-formulation of Rules and Regulations under Pakistan Climate Change Act 2017
110.	MoCC&EC	4	Non-publication of Year Books 2022-23 and 2023-24
111.	MoCC&EC	6	Non-convening of Project Steering Committee meetings of Climate Resilient Urban Human Settlements (CRUSH) Unit
112.	MoCC&EC	7	Non-achievement of the objectives of Climate Resilient Urban Human Settlements (CRUSH) Project – Rs. 47.430 million
113.	MoCC&EC	10	Unverifiable expenditure due to non-maintenance of stock register – Rs. 13.584 million
114.	MoCC&EC	11	Unverifiable expenditure on POL and repair & maintenance of vehicles due to absence of proper record – Rs. 11.933 million
115.	MoCC&EC	12	Underutilization of funds of PSDP schemes – Rs. 10.187 million
116.	MoCC&EC	13	Unnecessary procurement resulting blockage of Government funds – Rs. 5.047 million
117.	MoCC&EC	14	Unjustified payments of conveyance charges for late sitting - Rs. 1.268 million
118.	MoCC&EC	15	Overpayment of House Rent Accommodation Allowance – Rs. 226,384
119.	MoCC&EC	16	Non- conducting of annual physical verification of stores and stocks
120.	MoCC&EC	17	Non-conducting of Internal Audit

Sr. No.	Name of Entity	Para No. of AIR	Subject
121.	MoCC&EC	18	Non-plantation of 1,186.05 million trees resulting in non-achievement of Program Objectives to mitigate the impact of climate change
122.	MoCC&EC	19	Large-scale plantations of eucalyptus and exotic species resulting in negative impacts on local ecology and indigenous biodiversity
123.	MoCC&EC	21	Non-initiation of second phase of TBTP and non-carrying out the performance review of Strategic Support Units at Federal, Provincial and territorial level
124.	MoCC&EC	22	Non- convening of Program Steering Committee (PSC) meetings resulting in lack of guidance, oversight and coordination for TBTP implementation
125.	MoCC&EC	23	Non- convening of Annual Review Committee (ARC) meetings
126.	MoCC&EC	24	Ineffective monitoring and data management due to non-establishment of GIS Lab – Rs. 37.00 million
127.	MoCC&EC	25	Failure to initiate Legislative Reviews, Wildlife Research and preparation of GIS based Atlas of mammals – Rs. 45.80 million
128.	MoCC&EC	26	Non-surrendering of anticipated savings to the Government – Rs. 45.933 million
129.	MoCC&EC	27	Unverifiable expenditure on POL and repair & maintenance of vehicles –Rs. 21.660 million
130.	MoCC&EC	29	Unjustified payment on account of TA-DA due to non-submission of monitoring reports – Rs. 6.200 million
131.	MoCC&EC	30	Loss due to procurement without actual requirement – Rs 2.143 million
132.	MoCC&EC	31	Unverifiable expenditure without supporting documents- Rs. 1.975 million
133.	MoCC&EC	32	Irregular expenditure on account of Utilities Rs. 3.857 million
134.	MoCC&EC	34	Non-fixing of responsibility and non-recovery of missing items
135.	MoCC&EC	35	Non-obtaining of audit reports from the provinces and territories
136.	MoCC&EC	36	Non-maintenance of record of fixed assets

Sr. No.	Name of Entity	Para No. of AIR	Subject
137.	MoCC&EC	37	Non-maintenance of personal files of the staff
138.	Env. Directorate (East) CDA	1	Non-Conducting of Internal Audit of Rs. 1,608.023 million
139.	Env. Directorate (East) CDA	2	Non-conducting of annual verification of store & stock
140.	Env. Directorate (East) CDA	3	Non preparation of fixed assets register
141.	Env. Directorate (East) CDA	6	Non-composition of redressal of grievances committee on contracts awarded Rs. 151.460 million
142.	Env. Directorate (East) CDA	7	Loss to Government due to non-deduction of stamp duty –Rs. 197,290
143.	Env. Directorate (East) CDA	8	Irregular award of contracts without obtaining approval of C.D.A.D.W.P.
144.	Env. Directorate (East) CDA	9	Irregular award of contract on higher than the market rate by Rs. 2.799 million
145.	Env. Directorate (East) CDA	10	Splitting up the expenditure to avoid open tenders – Rs 53.56 million
146.	Env. Directorate (East) CDA	11	Loss of government money due to inefficient plant production at CDA nursery of Rs. 95.548 million
147.	Env. Directorate (East) CDA	12	Non-revision of rate of plants for sale to the general public at the CDA Nursery
148.	Env. Directorate (East) CDA	13	Non utilization of Environment Directorate CDA East, Nursery Land.
149.	Env. Directorate (West) CDA	1	Non-Compliance with NAB Ordinance-undisclosed Contracts Rs. 54.528Million
150.	Env. Directorate (West) CDA	2	Non-conducting of annual verification of store & stock
151.	Env. Directorate (West) CDA	3	Non-conducting of Internal Audit Rs. 1,312.685million
152.	Env. Directorate (West) CDA	4	Non preparation of fixed assets register
153.	Env. Directorate (West) CDA	7	Non-composition of redressal of grievances committee for the tenders of Rs. 422.292 million
154.	Env. Directorate (West) CDA	8	Loss to Government due to non-deduction of stamp duty - Rs. 0.829million
155.	Env. Directorate (West) CDA	9	Irregular award of contracts without obtaining approval of C.D.A.D.W.P.

Sr. No.	Name of Entity	Para No. of AIR	Subject
156.	Env. Directorate (West) CDA	10	Deficiencies in tendering and bid evaluation process
157.	Env. Directorate (West) CDA	11	Payment of reward made in cash instead of cross cheque Rs. 1.463 million
158.	Env. Directorate (Regional) CDA	1	Non-conducting of annual verification of store & stock
159.	Env. Directorate (Regional) CDA	2	Non conducting of Internal Audit Rs. 381.694 million
160.	Env. Directorate (Regional) CDA	3	Non preparation of fixed assets register
161.	Env. Directorate (Regional) CDA	4	Non-preparation of Cash Books Rs. 381.694 million
162.	Env. Directorate (Regional) CDA	5	Non-Reconciliation of Monthly and Annual Accounts with the Finance Department Rs. 381.694 million
163.	Env. Directorate (Regional) CDA	6	Irregularities in payment of contingent paid staff hired for firefighting at Margalla Hills- Rs. 37.492 million
164.	Env. Directorate (Regional) CDA	7	Irregular purchase of garden soil / sweet earth – Rs. 1.710 million
165.	Env. Directorate (Parks) CDA	1	Non-Conducting of Internal Audit
166.	Env. Directorate (Parks) CDA	2	Non-conducting of annual verification of store & stock
167.	Env. Directorate (Parks) CDA	3	Non preparation of fixed assets register
168.	Env. Directorate (Parks) CDA	4	Irregular award of contract without obtaining additional performance security Rs. 295,795
169.	Env. Directorate (Parks) CDA	5	Non-composition of redressal of grievances committee
170.	Env. Directorate (Parks) CDA	6	Loss to Government due to non-deduction of stamp duty –Rs. 138,312.
171.	Env. Directorate (Parks) CDA	7	Irregular award of contract on higher than the market rate by Rs. 20.609 million
172.	Env. Directorate (Parks) CDA	9	Non-auction of unserviceable stock resulting in wastage of government money
173.	DG (Civil Defence)	1	Non-surrendering of anticipated savings to the Government- Rs. 13.683 million

Sr. No.	Name of Entity	Para No. of AIR	Subject
174.	DG (Civil Defence)	2	Appointment of contingent paid staff without approval of Finance Division and payment thereof – Rs. 0.659 million
175.	DG (Civil Defence)	3	Procurement of items under various head of account in violation of Rules– Rs. 4.599 million
176.	DG (Civil Defence)	4	Non maintenance of Log Books – Rs. 10.278 million
177.	DG (Civil Defence)	5	Irregular assignment of current charge to the Deputy Director as Director and payment of current charge allowance – Rs. 377,600
178.	DG (Civil Defence)	6	Irregular assignment of current charge basis on the non-vacant post and recovery thereof – Rs. 307,068
179.	DG (Civil Defence)	7	Physical verification of assets/stocks items not carried out despite pointation in previous Audit & Inspection Report
180.	DG (Civil Defence)	8	Irregular payment of qualification allowance and recovery thereof – Rs. 180,000
181.	DG (Civil Defence)	9	Irregular payment of hiring to the Officer / officials posted in Non-Specified Station – Rs. 3.124 million
182.	DG (Civil Defence)	10	Non utilization of costly Chemical Biological Radiological and Nuclear Equipment resulted into wastage of public resources – Rs. 15.000 million
183.	DG (Civil Defence)	11	Holding of Department Promotion Committee (DPC) without ancillary record and implementation of DPC Decision
184.	DG (Civil Defence)	12	Deficient Budget Reporting, Training Planning, and Monitoring Mechanisms Impair Target Verification and Achievement
185.	DG (Civil Defence)	13	Irregular expenditure on account of TA/DA without observing codal formalities – Rs. 7.392 million
186.	DG (Civil Defence)	14	Irregular payment of conveyance allowance during leave period – Rs. 278,024
187.	DG (Civil Defence)	15	Over payment of House Rent Ceiling in excess of rent assessed by Assessment Committee / Board – Rs. 1.616 million
188.	E & DM Directorate of MCI, Isd	2	Construction in the area without integration of fire safety and life safety measures

Sr. No.	Name of Entity	Para No. of AIR	Subject
189.	E & DM Directorate of MCI, Isd	3	Non formulation of mechanism to charge expenses from owner resulted into Non-charging of expenses for visits carried out for fire prevention and life safety measures – Rs. 3.415 million
190.	E & DM Directorate of MCI, Isd	5	Non deduction of Income Tax – Rs. 0.796 million
191.	E & DM Directorate of MCI, Isd	6	Irregular procurement through splitting of expenditure – Rs. 0.995 million
192.	E & DM Directorate of MCI, Isd	7	Procurement of Uniform without proper planning and blockage of funds – Rs. 1.880 million
193.	E & DM Directorate of MCI, Isd	8	Non-conducting of physical verification of assets / stocks and relief items
194.	E & DM Directorate of MCI, Isd	9	Wastage of resources due to non-rationalization of specialized dogs for Urban Search and Rescue (USAR) – Rs. 29.055 million
195.	E & DM Directorate of MCI, Isd	10	Non-disposal of unserviceable stocks
196.	E & DM Directorate of MCI, Isd	11	Non Revision of NOC processing fee
197.	E & DM Directorate of MCI, Isd	12	Non maintenance of log books Rs. 64.698 Million
198.	E & DM Directorate of MCI, Isd	13	Non digitization of emergency call management system
199.	E & DM Directorate of MCI, Isd	14	Loss due to non-deduction of Stamp Duty – Rs.0. 202 million
200.	E & DM Directorate of MCI, Isd	15	Non-reconciliation of monthly and annual expenditure statements - Rs. 1360.003 million
201.	E & DM Directorate of MCI, Isd	16	Expenditure over and above the budgetary allocation-Rs. 1101.412 million
202.	E & DM Directorate of MCI, Isd	17	Un-authorized payment of allowances to employees not working in Emergency and Disaster Management Directorate of - Rs. 1.004 million
203.	E & DM Directorate of MCI, Isd	18	Non-conducting of internal audit of the Emergency and Disaster Management Directorate
204.	Bomb Disposal Unit, Lhr	1	Incomplete execution of annual training schedule
205.	Bomb Disposal Unit, Lhr	2	Non -Filling of (3) three Vacant Posts and Irregular Drawl of Budget

Sr. No.	Name of Entity	Para No. of AIR	Subject
206.	Bomb Disposal Unit, Lhr	3	Irregular/unrealistic claim of budget
207.	Bomb Disposal Unit, Lhr	4	Misclassification of Expenditure – Rs. 904,840
208.	Bomb Disposal Unit, Lhr	5	Improper maintenance of assets registers
209.	Bomb Disposal Unit, Lhr	6	Undue creation of liability due to non-reconciliation with LESCO, SNGPL and WASA
210.	Bomb Disposal Unit, Lhr	7	Excess/Savings of surrender Fund- Rs. 2.142 million
211.	Bomb Disposal Unit, Lhr	8	Non Recovery of Interest on Long Term Advance Rs. 0.145 million
212.	Bomb Disposal Unit, Lhr	9	Non-conducting of internal check against irregularities, waste and fraud
213.	Bomb Disposal Unit, Lhr	10	Irregular mode of payment by drawing cheques in favor of DDO Rs.70,202 million
214.	Bomb Disposal Unit, Lhr	11	Non-Payment of Medical Charges to Platoon Commander- Rs.0.259million
215.	Bomb Disposal Unit, Lhr	12	Irregular payment of conveyance allowance during leave period – Rs. 59,400
216.	Bomb Disposal Unit, Lhr	13	Irregular promotion of staff in violation of government instructions
217.	Bomb Disposal Unit, Lhr	14	Unsatisfactory response of information against the requisition served by the Audit Team
218.	NDRMF Compliance Audit	2	Recruitment of officers/ officials without screening test
219.	NDRMF Compliance Audit	3	Non recovery of Withholding Income Tax deducted by National Bank of Pakistan - Rs.24.632 million
220.	NDRMF Compliance Audit	4	Non appointment of the members of the Board
221.	NDRMF Compliance Audit	5	Recurring loss due to mismanagement on account of hiring of vehicles – Rs. 822,054
222.	NDRMF Compliance Audit	6	Unauthorized expenditure on POL and Repair & Maintenance of the Vehicles- Rs. 5.365 million
223.	NDRMF Compliance Audit	7	Irregular payment of Honorarium without formulation of Incentive Policy – Rs. 26. 900 million
224.	NDRMF Compliance Audit	10	Non initiation of process of appointment of CEO in violation of Rules

Sr. No.	Name of Entity	Para No. of AIR	Subject
225.	NDRMF Compliance Audit	11	Irregular expenditure without open competition – Rs. 1.383 million
226.	NDRMF Compliance Audit	12	Non-conducting of physical verification of fixed assets
227.	NDRMF Compliance Audit	13	Irregular procurement without competitive bidding process – Rs. 4.321 million
228.	NDRMF Compliance Audit	14	Non-Compliance with NAB Ordinance-undisclosed Contract
229.	NDRMF Compliance Audit	15	Non-restructuring of NDRMF in compliance of the directives of BoD and HR Committee

Annexure-II

Risk, Requisition and Observation Analysis

Risk Area	Requisition	Para No.	Subject
Employee Related	vii. Detail of staff i.e. sanctioned/available/vacant posts	Para # 30 (OS#32)	Irregular expenditure on unauthorized appointments of staff over and above the sanctioned strength – Rs. 11.503 million
	viii. Detail of staff joined/left over NDMA during FY-2023-24	Para # 31 (OS#33)	Irregular expenditure without approval of PC-I on account of salaries of Project Staff - Rs. 139.609 million
	x. Personal Files of all staff of NDMA	Para # 32 (OS#34)	Irregular payment of salaries of retired project officers at higher rates -
	xi. Service books	Para # 35 (OS#37)	Non-deduction of executive allowance – Rs. 0.585 million
	xii. Leave record /Attendance register	Para # 62 (OS#64)	Irregular appointment on contract basis on 86 posts of contractual employees of NEOC
	xiii. List / Detail of Deputation Officers / Officials presently working/left over during FY 2023-24		
	xiv. Daily wages and Contract Employees detail		
	xv. Payroll		
	xvi. Residential House Hiring List and Files		
Financial management	i. Expenditure Statement of all accounts maintained by NDMA for financial year 2023-24.	Para # 23 (OS#24)	Irregular payment on account of transportation of relief goods – Rs. 50.924 million
	ii. Bank Statement (NDMF) and its related accounts in commercial banks along with reconciliation statements	Para # 36 (OS#38)	Irregular payment on account of Misc. Services etc. without supporting vouchers – Rs. 11.438 million
	iii. Payment Vouchers/ bills.	Para # 37 (OS#39)	Un-authorized expenditure out of National Disaster Management Fund Rs 21.677 billion
	iv. Assignment account and their bank statement along with reconciliation statements	Para # 48 (OS#50)	Irregular and non-economical construction work cost of NEOC building –
	v. Cash Books	Para # 50 (OS#52)	Un-productive expenditure on construction of NEOC Building –
	ix. Appropriation Accounts F.Y 2023-24		
	xix. Soft Data of Expenditure and Payroll.		

Risk Area	Requisition	Para No.	Subject
	xxii. Detail of imprest money		
	xxiii. Cheque Register		
Implementation of Act, Rules and SoPs	xxviii. DAC/PAC Minutes of Meeting.	Para # 14 (OS#14)	Irregular release on account of 4/5th GST to non-active taxpayer suppliers/firms – Rs. 106.064 million
	xxix. Detail of Income Tax Deducted or due under Income Tax Ordinance 2001	Para # 16 (OS#16)	Non-posting of awarded contract on PPRA website
	xxx. Detail of Sales Tax Deducted or due under Sales Tax Act	Para # 2 (OS#2)	Overpayment to suppliers due to less deduction of taxes – Rs. 22.865 million
		Para # 22 (OS#23)	Irregular release of 4/5th GST to M/s Masood Textile Mills – Rs. 4.726 million
		Para # 25 (OS#26)	Non-deduction of withholding tax on account of air transportation charges paid to M/s FLYME Aviation, UAE – Rs. 6.914 million
		Para # 28 (OS#30)	Irregular release on account of 4/5th GST to non-active taxpayer suppliers/firms – Rs. 0.982 million
		Para # 29 (OS#31)	Un-authorized deduction of Advance Income Tax – Rs. 722.099 million
		Para # 34 (OS#36)	Non-deposit of Sales Tax on services -Rs. 59.324 million
		Para # 44 (OS#46)	Non-transparent invoices of the suppliers with regard to sales tax Rs 872.791 million
		Para # 45 (OS#47)	Non-transparent invoices of the suppliers with regard to sales tax Rs 735.751 million
		Para # 46 (OS#48)	Un-authorized release of GST to suppliers without approval of the National Authority–Rs. 735.751 million
		Para # 47 (OS#49)	Irregular payment without approval of CDWP for construction of NEOC building Rs. 2,092.033 million
	Para # 53 (OS#55)	Non-deduction of income tax from M/s NLC – Rs. 172.53 million	
	Para # 63 (OS#65)	Non-filing of monthly return of withholding GST to FBR – Rs. 1,738.874 million	
	Para # 64 (OS#66)	Non-holding of National Disaster Management Commission meetings on regular basis for disaster management	

Risk Area	Requisition	Para No.	Subject
		Para # 7 (OS#7)	Overpayment to suppliers due to less deduction of taxes – Rs. 169.41 million
		Para #13 (OS#13)	Overpayment to suppliers due to less deduction of taxes – Rs. 163.5 million
Internal Control	xvii. Stock registers and repair and maintenance registers	Para # 20 (OS#21)	Un-authorized expenditure out of NDM Fund on event management services – Rs. 23.254 million
	xviii. No. of vehicles with allotment and fuel ceiling	Para # 24 (OS#25)	Un-authorized expenditure out of NDM Fund on POL– Rs. 72.71 million
	xx. Asset Register	Para # 27 (OS#29)	Non-preparation of annual procurement plan
	xxiv. Detail of unserviceable items/stock/stores	Para # 42 (OS#44)	Non-conducting physical verification of procured stocks / stores procured in financial year 2023-24
	xxv. Physical verification/Inspection Report of stores/stock	Para # 43 (OS#45)	Non-existence of inventory management system in NDMA warehouse
	xxvi. Log books of vehicles	Para # 65 (OS#67)	Non-conducting of internal audit physical verification of store /stocks/ assets
	xxxi. Copy of Internal Audit Report		
	xxxii. Correspondence/Noting files in respect of: Contingent Paid Staff, Honorarium, Overtime, Telephone & Trunk Calls, POL Charges, Repair of Transport, Printing & Publication, Uniform, Payment to Others Services Rendered, Entertainment & Gifts, Others, Contribution to International Agency, Purchase of IT Equipment, Purchase of Machinery & Equipment, Repair of Office/other Buildings and Repair of Furniture		
Procurement & Contract Management	vi. Procurement detail for the FY-2023-24 along with complete files of each procurement carried out in FY 2023-24.	Para # 1 (OS#1)	Mis-procurement of blankets on pre-qualification basis instead of open competitive bidding – Rs. 86.468 million
	xxvii. Detail of Contracts/Agreements	Para # 10 (OS#10)	Irregular finalization of procurement process after expiry of bid validity time – Rs. 29.292

Risk Area	Requisition	Para No.	Subject
		Para # 11 (OS#11)	Mis-procurement on account of procurement of tents from suppliers without technical evaluation – Rs. 2,582.713 million
		Para # 12 (OS#12)	Mis-procurement of SMD Video Walls – Rs. 68.320 million
		Para # 15 (OS#15)	Non-imposition of liquidated damages – Rs. 4.722 million
		Para # 17 (OS#17)	Imprudent expenditure on Air Cargo Transportation of canned food from Pakistan to Palestine – Rs. 88.429 million
		Para # 18 (OS#18)	Un-due favour to M/s Maris International by non-imposition of LD for delay supply of Tents – Rs. 32.818 million
		Para # 19 (OS#19)	Mis-procurement of Generators - Rs 146.084 million
		Para # 21 (OS#22)	Mis-procurement on account of provision of services – Rs. 23.254 million
		Para # 26 (OS#27)	Imprudent expenditure on Air Cargo Transportation of Tent & Blankets from Pakistan to Palestine – Rs. 84.399 million
		Para # 3 (OS#3)	Mis-procurement of blankets (three ply) on pre-qualification basis instead of open competitive bidding and award of contract to non-prequalified bidder – Rs. 483.718 million
		Para # 33 (OS#35)	Irregular payment on account of cargo/ground handling charges without competition Rs. 1.599 million
		Para # 38 (OS#40)	Non-conducting lab testing to ensure the quantity as per agreed specification of Shelter Tents – Rs. 598.441 million
		Para # 39 (OS#41)	Non-conducting lab testing to ensure the quantity as per agreed specification of Family Tents – Rs. 2,246 million
		Para # 4 (OS#4)	Mis-procurement due to non-publication of bid evaluation report
		Para # 40 (OS#42)	Non-conducting lab testing to ensure the quantity as per agreed specification of Winterized Tents – Rs. 1,984.272 million
		Para # 41 (OS#43)	Non-conducting lab testing to ensure the quantity as per agreed specification of Blankets – Rs. 1,462.014 million

Risk Area	Requisition	Para No.	Subject
		Para # 49 (OS#51)	Mis-procurement for award of construction work of NEOC building –
		Para # 5 (OS#5)	Mis-procurement of blankets (double ply) on higher rates resulting loss to public exchequer – Rs. 251.8 million
		Para # 51 (OS#53)	Excess payment on account non-executed items – Rs. 158.979 million
		Para # 52 (OS#54)	Irregular execution of work for construction of NEOC building without allocated funds and Technical Sanction - Rs. 1,917.046 million
		Para # 54 (OS#56)	Overpayment on account of price adjustment (Orangi and Gujjar Nullahs project) to M/s NLC and M/s FWO - Rs. 40.129 million
		Para # 55 (OS#57)	Non-verifiable payment on account of cleaning of Nullahs – Rs. 2.486 billion
		Para # 56 (OS#58)	Over-priced award of contracts to state-owned entities on account of Gujjar and Orangi Nullah work – Rs. 5.674 billion
		Para # 57 (OS#59)	Irregular payment of escalation for Orangi and Gujjar Nullah work – Rs. 5.743 billion
		Para # 58 (OS#60)	Non-imposition of liquidated damages due to delay completion of Orangi and Gujjar Nullahs work – Rs. 2,103 million
		Para # 59 (OS#61)	Irregular execution of work for restoration and revamping of Orangi and Gujjar Nullah without Technical Sanction
		Para # 6 (OS#6)	Mis-procurement of family tents on pre-qualification basis instead of open competitive bidding – Rs. 4.829 billion
		Para # 60 (OS#62)	Overpayment on account of escalation to M/s NLC for Orangi Nullah– Rs. 2.437 billion
		Para # 61 (OS#63)	Overpayment on account of escalation to M/s FWO for Gujjar Nullah–
		Para # 8 (OS#8)	Mis-procurement and non-transparent hiring of chartered flights for transportation of relief items to Palestine – Rs 172.828 million
		Para # 9 (OS#9)	Mis-procurement of canned food on higher rates– Rs. 13.2 million

Annexure-III
(Para No. 1.4.1)

Non-Production of Record- Rs. 4,084.971 million

1. Expenditure statements of subordinate accounting units & Project wise (PC-1) expenditure statements
2. Detail of cash balances of SERRA and PERRA along with bank statements and cash book.
3. Complete payment vouchers/PCs/FPCs (selected on sample basis) duly supported by all relevant documents. (only 166 provided out of 595 vouchers). Further details are at Annexure-III(A).
4. Detail of Foreign Aided Project(s) along with budget and utilization (FY 2023-24).
5. All withdrawal loan applications.
6. Copies of reconciliation of expenditure with EAD.
7. Register of advances.
8. Register of Assets and valuation of assets
9. List of all ongoing projects and projects / contracts finalized during the FY 2023-24.
10. Internal Audit Report of ERRA HQ and all subordinate offices of ERRA.
11. Physical verification report.
12. A complete insight to audit with respect to status of ERRA as on 30.06.2024 regarding subsuming in NDMA and all pertinent record and information related to subsuming.
13. All official government orders, decisions of competent forums and legal frameworks that govern the closure and the transfer of responsibilities. The document may outline the process for the closure and subsumption, including the effective date, transfer of assets and liabilities, and operational continuity provisions.
14. List of all key stakeholders involved in the closure and subsuming including government departments, affected employees, and any third-party contractors.
15. Detailed report on review, structure and operational capacity of NDMA with respect to absorbing the functions and assets & liabilities of ERRA.
16. Detail of all assets that are transferred to NDMA including physical assets (property, equipment, inventory), financial assets (bank

- balances, investments) and intangible assets (intellectual property, software and licenses).
17. Detail of valuation of assets by independent valuers in accordance with applicable accounting standards and government regulations.
 18. Details of all liabilities that are transferred or assumed by NDMA (with aging).
 19. Details of any ongoing contracts or agreements (with vendors, contractors, etc.) that the closed entity had in place. Determine if these contracts were assigned to the new entity, cancelled, or terminated.
 20. Detail of Assets auctioned during the period and their valuation reports.
 21. Detail of litigations pending in the court of law and current status.
 22. Detail of decrease in value of “Vehicles” as compare to previous year from Rs. 382.114 million to 148.030 million.
 23. Detail of decrease in value of “Fixed Assets” as compare to previous year from Rs. 118.329 million to 60.208 million in the line item
 24. Detail of decrease in value of “Land & Property” as compare to previous year from Rs. 1361.828 million to nil.
 25. Detail of all matured liabilities settled during the year as presented in AFS.
 26. Detail of tax liabilities discharged amounting to Rs. 2,045.429 million.
 27. Details of movements in mobilization advance, secured advance and retention money as disclosed in AFS as compare to previous year.

Annexure-III (A)**(Para No. 1.4.1)****Non-Production of Record- Rs. 4,084.971 million**

Total 595 vouchers having value amounting to Rs.4,205,212,867 were selected on sample basis for test of Internal Controls and Substantive testing (including 10 high value items.) Entity provided 166 vouchers having value of Rs. 120,242,360 and 429 vouchers amounting to Rs. 4,084,970,507 are not provided. Details are as under:

(Amount in Rs.)

Sr. No.	Description	Total selected vouchers		Vouchers Provided		Vouchers not provided	
		Qty.	Amount	Qty.	Amount	Qty.	Amount
1	Substantive Testing	382	675,471,910	117	88,380,664	265	587,091,246
2	Internal Controls Testing	203	511,444,531	49	31,861,696	154	479,582,835
3	High value items	10	3,018,296,426	0	0	10	3,018,296,426
Total		595	4,205,212,867	166	120,242,360	429	4,084,970,507

Furthermore, 249 sample vouchers valuing Rs. 4,059,952,206 pertains to PSDP Development expenditure out of which 37 incomplete voucher valuing Rs. 64,819,572 are provided. Complete vouchers along with supporting documents including contractors' bills for civil work (IPCs & FPCs) are not available with Finance Wing of ERRRA and not provided to audit. Hence, these vouchers are not verifiable. Thus, total value of vouchers not provided and incomplete provided is Rs.4,149,790,079 (4,084,970,507+64,819,572).

Annexure-IV**(Para No. 1.4.2)****Decrease in value of matured liabilities and excess payment without supporting documents and explanatory notes - Rs. 4,666.766 million**

(Rs. In million)

Sr. No.	Description	Value as Shown in AFS for FY 2022-23	Value as Shown in AFS for FY 2023-24	Difference
1	Matured liabilities - PMIU AJ&K	91.798	0	91.798
2	Matured liabilities - PMIU KPK	405.494	0	405.494
3	Matured liabilities - NBCDP	21.547	0	21.547
4	Matured liabilities - PERRA & DRUs	456.647	0	456.647
5	Matured liabilities - SERRA & DRUs	1,199.842	0	1,199.842
6	Matured liabilities - NESPAK	446.009	0	446.009
	Total	2,621.337	0	2,621.337
7	Tax liabilities	2,045.429	0	2,045.429
	Total	4,666.766		4,666.766

Annexure-V**(Para No. 1.4.2)****Decrease in value of matured liabilities and excess payment without supporting documents and explanatory notes - Rs. 4,666.766 million**

(Rs. In million)

Sr. No.	Description	Value as Shown in AFS for FY 2022-23	Paid during FY 2023-24	Difference
1	PMIU AJ&K	91,798,000	1,836,668,848	1,744,870,848
2	PMIU KPK	405,494,000	853,270,031	447,776,031
3	PERRA & DRUs	456,647,000	1,171,713,379	715,066,379
4	SERRA & DRUs	1,199,842,000	1,568,653,047	368,811,047
5	NESPAK	446,009,000	1,021,956,058	575,947,058
	Total	2,599,790,000	6,452,261,363	3,852,471,363

Annexure-VI
(Para No. 1.4.5)

Accretion of Default Surcharge due to non-deposit of Income Tax deducted from payments made to contractors – Rs 1,702.123 million

Detail of Income Tax of CDPs not deposited in Govt. Treasury on A/c of default surcharge							
S. No.	CDP	Financial Year	Income Tax not deposited Govt. Treasury	Start Date	30-06-2023	Total years of Default	Default Surcharge @ 12 % per annum
1	MCDP	2011-12	17,414,819	31-May-12	30-Jun-23	11.083	23,161,013
2	MCDP	2012-13	144,298,360	30-Jun-13	30-Jun-23	10	173,158,032
3	MCDP	2013-14	233,955,587	30-Jun-14	30-Jun-23	9	252,672,034
4	MCDP	2014-15	266,589,218	30-Jun-15	30-Jun-23	8	255,925,649
5	MCDP	2015-16	180,904,168	30-Jun-16	30-Jun-23	7	151,959,501
6	MCDP	2016-17	196,289,899	30-Jun-17	30-Jun-23	6	141,328,727
	MCDP Total		1,039,452,051				998,204,956
7	RCDP	2011-12	5,253,877	1-May-12	30-Jun-23	11.083	6,987,446
8	RCDP	2012-13	13,927,574	1-May-12	30-Jun-23	10.083	16,851,807
9	RCDP	2013-14	36,171,716	1-May-12	30-Jun-23	9.083	39,425,724
10	RCDP	2014-15	33,679,003	1-May-12	30-Jun-23	8.083	32,667,286
11	RCDP	2015-16	40,541,655	1-May-12	30-Jun-23	7.083	34,458,785
12	RCDP	2016-17	42,156,742	1-May-12	30-Jun-23	6.083	30,772,735
	RCDP Total		171,730,567				161,163,783
13	BCDP	2011-12	4,016,838	1-May-12	30-Jun-23	11.083	5,342,234
14	BCDP	2012-13	38,021,375	1-May-12	30-Jun-23	10.083	46,004,343
15	BCDP	2013-14	107,006,986	1-May-12	30-Jun-23	9.083	116,633,334
16	BCDP	2014-15	130,240,475	1-May-12	30-Jun-23	8.083	126,328,051
17	BCDP	2015-16	114,627,383	1-May-12	30-Jun-23	7.083	97,428,690
18	BCDP	2016-17	206,884,605	1-May-12	30-Jun-23	6.083	151,017,486
	BCDP Total		600,797,662				542,754,139
	Grand Total		1,811,980,280				1,702,122,879

Annexure-VII
(Para No. 1.4.8)

Irregular payment on account of Price adjustment- Rs. 287.795 million

Sr. No.	Name of Scheme/ project	Name of CDP	Name of Contractor	IPC No.	Price adjustment in Rs.
1.	Link Road from PWD Rest House to Aweru, Bagh AJ&K	BCDP	M/s CXB	FPC	2,241,231
2.	Link road Haidary Chowk to Ring Road Section-I (via Azad Khan House), Bagh	BCDP	M/s CXB	FPC	426,010
3.	Kohala Dhirkot Road Part-B, Bagh	BCDP	M/s CXB	FPC	13,033,000
4.	Construction of Link Road from FG School to Bagloor Bhount, Bagh	BCDP	M/s CXB	FPC	3,946,141
5.	Link Road from Main Bridge Grid Station to Bani Pasari	BCDP	M/s CXB	FPC	612,943
6.	Greater Water Supply Scheme Part-D, Bagh	BCDP	M/s CWE	FPC	27,099,228
7.	Infrastructure Services- C, Bagh	BCDP	M/s CWE	FPC	39,017,046
8.	Tahlee Mandi, Muzaffarabad	MCDP	M/s CXB	FPC	17,668,251
9.	Water Distribution Component A, Muzaffarabad	MCDP	M/s CWE	FPC	28,550,317
10	Water Distribution Component B, Muzaffarabad	MCDP	M/s CWE	FPC	62,684,855
11	Chinar Rest House to Eidgah Road, Rawalakot	RCDP	M/s CXB	FPC	7,036,894
12	United Hospital to BHQ Road, Rawalakot	RCDP	M/s CXB	FPC	2,817,542
13	Sewage & Sewerage Treatment, Rawalakot	RCDP	M/s CXB	FPC	21,958,221
14	Water Distribution Network, Rawalakot	RCDP	M/s CWE	FPC	25,966,533
15	Infrastructure Services-Part-A (Water Distribution System)	BCDP	M/s CWE	FPC	34,737,144
Total					287,795,356

**Annexure-VIII
(Para No. 1.4.12)**

Irregular payments in excess of approved BOQ quantities– Rs 86.889 million

Name of Project	BOQ Item No.	Description	Unit	Rate (Rs)	BOQ Qty.	Executed Qty.	Excess Quantity	% Increase	Excess payment (Rs)	Payment of executed quantity (Rs)
A	B	C	D	E	F	G	H	I=H/G*100	J	K
Link road from PWD Rest Housta to Awera, Bagh	21-4	Excavation or cutting in hard rock by blasting including sorting and stacking the excavated material within a lift of 5 ft (1.50 m) and lead upto 100 ft (30m)	Cu. m	962.34	200	6,175.05	5,975.05	2988%	5,750,030	5,942,498
-do-	21-5(a)	Excavation or cutting in soft rock, slate, shale, schist or laterite work with pick and crow bar	Cu. m	616.45	500	5,232.32	4,732.32	946%	2,917,239	3,225,464
-do-	21-5(b)	Excavation or cutting in medium hard rock requiring occasional blasting	Cu. m	807	500	5,172.24	4,672.24	934%	3,770,311	4,173,791
Greater Water supply Scheme, Bagh	NSI (5-12)	Providing and laying in situ cement concrete using lawrencepur sand and Margalla crushed aggregate 1:1.5:3	Cu. m	16,458.04	10	2,643.17	2,633.17	26332%	43,336,735	43,501,315
Allama Iqbal Bridge to Shaukat Line Road Muzaffarabad	21-12	Preparation of sub-grade over bottom of excavation with required grade, camber and side slopes including cutting to required depth and breaking clods, watering and consolidation with suitable mechanical means to attain maximum	Sq. m	246.02	1000	13,881.22	12,881.22	1288%	3,169,038	3,415,058

Name of Project	BOQ Item No.	Description	Unit	Rate (Rs)	BOQ Qty.	Executed Qty.	Excess Quantity	% Increase	Excess payment (Rs)	Payment of executed quantity (Rs)
A	B	C	D	E	F	G	H	I=H/G*100	J	K
		density of 95 modified AASHO for top 6"								
Infrastructure Services, Part-A (Sewerage System), Bagh	5-38	PVC ribbed water stop 9" (225 mm wide)	R.M .	1,905.31	55.2	883.20	828.00	1500%	1,577,597	1,682,770
	3-21 (d)	Shingle or gravel	Cu. m	393.34	221.66	7,267.02	7,045.36	3178%	2,771,222	2,858,410
	3-22	Cutting hard rock such as granite ballast, hard lime stone	Cu. m	2,455.79	11.65	1,859.33	1,847.68	15860%	4,537,514	4,566,124
	5-5 (c)	1:04:08	Cu. m	13,359.65	7.04	74.77	67.73	962%	904,849	998,901
	5-22 (a)	Foundation and floor slab	Cu. m	15,861.20	28.33	336.54	308.21	1088%	4,888,580	5,337,928
	5-22 (b)	Walls	Cu. m	20,838.40	23.15	435.78	412.63	1782%	8,598,549	9,080,958
	5-22 (c)	Top slab up to 6 (150 mm) thick	Cu. m	24,425.66	7.42	78.25	70.83	955%	1,730,069	1,911,308
	5-25	Extra on items 5-16 to 5-18 and 5-20 to 5-23 for cement concrete	Cu. m	2,686.69	58.9	746.25	687.35	1167%	1,846,696	2,004,942
5-38 (c)	P V C ribbed water stop 9 "	R.M .	1,905.31	25.2	597.60	572.40	2271%	1,090,599	1,138,613	
Total									86,889,028	89,838,079

Annexure-IX

(Para No. 1.4.24)

Non-retrieval of Assets from NESPAK Rs 61.625 million

Assets Currently Held With NESPAK Purchased Through ERRA/EEAP Funds						
SN	Item Name	Dep catg	Quantity	V#	Date Purchased	Purchase Cost
1	CPU	Computer	1	325	17/11/2005	49,800
2	Switch	Computer	1	371	08/12/2005	6,500
3	Printer DeskJet	Computer	1	371	08/12/2005	25,800
4	CPU	Computer	1	371	08/12/2005	92,500
5	Chairs	Furniture	2	382	14/12/2005	4,400
6	Table	Furniture	2	382	14/12/2005	8,000
7	Cabinet	Furniture	1	382	14/12/2005	18,000
8	CPU	Computer	1	397	20/12/2005	54,450
9	Tent	Office Equipment	18	490	20/01/2006	137,250
10	Plotter Design Jet 4000	Computer	1	779	16/02/2006	600,000
11	Camera	Office Equipment	11	925.1	19/06/2006	107,800
12	Camera	Office Equipment	3	966	28/06/2006	30,000
13	UPS	Computer	10	972	30/06/2006	31,320
14	CPU	Computer	10	972	30/06/2006	517,170
15	Printer A4 1320	Computer	1	79	31/07/2006	22,356
16	Fax Brother 2820	Computer	2	78	31/07/2006	52,000
17	GPS	Office Equipment	5	77	31/07/2006	150,000
18	GPS	Office Equipment	10	76	31/07/2006	300,000
19	UPS	Computer	6	172	01/09/2006	21,610
20	CPU	Computer	6	172	01/09/2006	349,628
21	CPU	Computer	7	390	20/10/2006	483,715
22	Water Dispenser	Office Equipment	2	408	31/10/2006	18,700
23	Table	Furniture	1	447	14/11/2006	2,000
24	LAPTOP	Computer	1	456	16/11/2006	143,635
25	Heater	Office Equipment	1	565	18/12/2006	17,000
26	Heater	Office Equipment	6	565	18/12/2006	21,000
27	Printer A4 1320	Computer	1	596	27/12/2006	22,356
28	Printer DeskJet	Computer	2	596	27/12/2006	59,800
29	Scanner	Computer	1	611	28/12/2006	620,000
30	Curtains	Office Equipment	1	654	10/01/2007	74,820
31	Binding Machine	Office Equipment	1	721	26/01/2007	17,250
32	Printer DeskJet	Computer	2	828	23/02/2007	36,685
33	UPS	Computer	10	828	23/02/2007	36,915
34	CPU	Computer	10	828	23/02/2007	656,200
35	UPS	Computer	1	949	13/03/2007	8,600
36	UPS	Computer	1	949	13/03/2007	23,000
37	Firewall	Computer	1	949	13/03/2007	87,000
38	Network (Wireless)	Computer	1	949	13/03/2007	200,200
39	Multimedia Projector-Sanyo	Office Equipment	1	960	16/03/2007	234,000
40	Server Database Network	Computer	1	1015	29/03/2007	453,608
41	Table	Furniture	1	1016	30/03/2007	3,739

42	Table	Furniture	1	1016	30/03/2007	6,980
43	Table	Furniture	1	1016	30/03/2007	8,476
44	Reception Counter	Furniture	1	1016	30/03/2007	10,220
45	Chairs	Furniture	2	1016	30/03/2007	10,470
46	File Cabinet	Furniture	1	1016	30/03/2007	11,685
47	Chairs	Furniture	2	1016	30/03/2007	12,962
48	Sofa	Furniture	1	1016	30/03/2007	13,960
49	File Cabinet	Furniture	1	1016	30/03/2007	15,580
50	Table	Furniture	1	1016	30/03/2007	22,435
51	Sofa	Furniture	1	1016	30/03/2007	27,919
52	Bed	Furniture	1	1016	30/03/2007	54,842
53	Chairs	Furniture	3	1016	30/03/2007	16,827
54	Work Station	Furniture	4	1016	30/03/2007	87,248
55	Table	Furniture	6	18.1	13/04/2007	42,862
56	Chairs	Furniture	3	18	13/04/2007	21,815
57	Table	Furniture	1	18.1	13/04/2007	74,611
58	Table	Furniture	2	18.1	13/04/2007	98,424
59	Table	Furniture	1	18.1	13/04/2007	107,949
60	Table	Furniture	3	18.1	13/04/2007	108,108
61	Plan Holders	Furniture	15	18	13/04/2007	109,074
62	Chairs	Furniture	21	18	13/04/2007	71,262
63	Table	Furniture	36	18.1	13/04/2007	119,135
64	Chairs	Furniture	16	18	13/04/2007	144,786
65	Table	Furniture	4	18.1	13/04/2007	190,498
66	Chairs	Furniture	12	18	13/04/2007	193,909
67	Chairs	Furniture	35	18	13/04/2007	311,063
68	Work Station	Furniture	30	18.1	13/04/2007	952,490
69	Heater	Office Equipment	1	28	20/04/2007	19,550
70	Pedestal Fan	Office Equipment	1	49	30/04/2007	1,800
71	Carpet	Office Equipment	1	51	30/04/2007	19,760
72	Pedestal Fan	Office Equipment	1	69	08/05/2007	1,800
73	Telephone Exchange Server	Computer	1	76	09/05/2007	938,230
74	Plain Paper Fax Machine	Computer	1	102	17/05/2007	12,995
75	CPU	Computer	5	107	18/05/2007	302,132
76	Printer Panasonic 3626	Computer	1	111	21/05/2007	28,500
77	Cabinet	Furniture	1	126	28/05/2007	6,960
78	Cabinet	Furniture	1	126	28/05/2007	8,544
79	Shelf	Furniture	1	126	28/05/2007	26,800
80	Reception Counter	Furniture	1	126	28/05/2007	28,000
81	Work Station	Furniture	1	126	28/05/2007	42,000
82	GM Table	Furniture	1	126	28/05/2007	45,000
83	TerracanA/T Model 2005	Vehicle	3	131	29/05/2007	7,296,509
84	AC Haier 2 Ton	Office Equipment	5	165	11/06/2007	195,000
85	Telephone Set	Office Equipment	6	172	13/06/2007	38,400
86	Chairs	Furniture	10	180	18/06/2007	20,750
87	Chairs	Furniture	5	180	18/06/2007	31,250
88	Table	Furniture	2	180	18/06/2007	35,000
89	Table	Furniture	2	180	18/06/2007	35,000
90	Table	Furniture	1	180	18/06/2007	47,500

91	Chairs	Furniture	20	180	18/06/2007	47,500
92	Scanner	Computer	1	254	29/06/2007	5,750
93	AC Haier 1.5 Ton	Office Equipment	1	223	29/06/2007	29,000
94	Carpet	Office Equipment	2	8	09/07/2007	18,053
95	Curtains	Office Equipment	1	8	09/07/2007	45,100
96	UPS	Computer	1	28	20/07/2007	3,726
97	Printer A4 2015	Computer	3	28	20/07/2007	69,315
98	Bed	Furniture	1	5	31/07/2007	2,800
99	Camera	Office Equipment	2	58	03/08/2007	24,000
100	Bed	Furniture	4	10	13/08/2007	15,400
101	UPS	Computer	10	121	27/08/2007	37,260
102	Printer DeskJet	Computer	2	121	27/08/2007	37,600
103	LAPTOP	Computer	1	122	27/08/2007	62,750
104	Printer A2	Computer	1	121	27/08/2007	109,250
105	Printer A4 2015	Computer	8	121	27/08/2007	184,840
106	LAPTOP	Computer	5	121	27/08/2007	290,455
107	CPU	Computer	3	121	27/08/2007	120,576
108	Bracket Fan	Office Equipment	1	12	29/08/2007	1,500
109	TV	Office Equipment	1	145	04/09/2007	12,834
110	AC Sabro 1 Ton	Office Equipment	1	145	04/09/2007	17,500
111	Table	Furniture	1	171	11/09/2007	1,200
112	Shelf	Furniture	2	171	11/09/2007	3,600
113	Printer DeskJet	Computer	1	220	01/10/2007	249,757
114	Computer Table	Furniture	2	329	02/11/2007	7,000
115	Chairs	Furniture	10	329	02/11/2007	17,500
116	Office Table	Furniture	10	329	02/11/2007	47,500
117	Bed folding big size (China)	Furniture	7	329	02/11/2007	51,784
118	Camera	Office Equipment	1	429	03/12/2007	11,100
119	Camera	Office Equipment	3	435	03/12/2007	32,250
120	GPS Germin E-Trex	Office Equipment	10	435	03/12/2007	114,500
121	Heater	Office Equipment	6	449	04/12/2007	15,600
122	Heater	Office Equipment	10	449	04/12/2007	20,500
123	Heater	Office Equipment	12	449	04/12/2007	25,500
124	Heater	Office Equipment	1	487	17/12/2007	850
125	Camera	Office Equipment	1	618	26/01/2008	2,300
126	Cable	Computer	2	680	09/02/2008	3,900
127	Charger Camulon	Office Equipment	6	680	09/02/2008	5,700
128	GPS Germin E-Trex	Office Equipment	36	680	09/02/2008	313,985
129	Camera	Office Equipment	38	680	09/02/2008	334,400
130	Printer DeskJet	Computer	4	687	13/02/2008	83,720
131	Printer A4 2015	Computer	6	687	13/02/2008	117,300
132	CPU	Computer	40	687	13/02/2008	1,660,000
133	Curtains	Office Equipment	8	86	15/02/2008	3,600
134	LAPTOP	Computer	5	766	29/02/2008	285,936
135	Bed	Furniture	6	824	13/03/2008	4,950
136	Almirah	Furniture	3	833	14/03/2008	18,000
137	Steel Rack	Furniture	2	833	14/03/2008	16,000
138	Curtains	Office Equipment	1	857	19/03/2008	57,288
139	Carpet	Office Equipment	1	857	19/03/2008	84,402

140	Shelf	Furniture	1	926	07/04/2008	1,800
141	Table	Furniture	1	952	08/04/2008	7,500
142	File Cabinet	Furniture	1	952	08/04/2008	13,750
143	Sofa	Furniture	2	952	08/04/2008	7,500
144	Chairs	Furniture	10	952	08/04/2008	27,500
145	Chairs	Furniture	1	952	08/04/2008	3,750
146	Table	Furniture	21	952	08/04/2008	111,130
147	Water Dispenser	Office Equipment	2	974	09/04/2008	15,000
148	Printer	Computer	5	961	09/04/2008	126,213
149	UPS	Computer	36	961	09/04/2008	150,075
150	Bed	Furniture	4	1023	22/04/2008	6,400
151	Table	Furniture	6	1098	06/05/2008	28,000
152	Chairs	Furniture	4	1098	06/05/2008	21,667
153	Curtains	Office Equipment	1	1104	09/05/2008	25,280
154	Chairs	Furniture	6	1147	14/05/2008	5,600
155	Almirah	Furniture	1	1190	24/05/2008	3,000
156	Bracket Fan	Office Equipment	1	1192	26/05/2008	1,800
157	Mobiles	Office Equipment	1	124	31/05/2008	32,000
158	Mobiles	Office Equipment	1	123	31/05/2008	47,000
159	UPS	Computer	1	1218	02/06/2008	96,876
160	Almirah	Furniture	1	1301	12/06/2008	3,240
161	Office Chair	Furniture	5	1310	12/06/2008	4,625
162	Carpet	Office Equipment	1	1307	12/06/2008	9,900
163	Pedestal Fan	Office Equipment	1	1447	30/06/2008	2,500
164	Bracket Fan	Office Equipment	3	153	30/06/2008	4,500
165	Table	Furniture	6	160	18/08/2008	3,600
166	Chairs	Furniture	1	172	19/08/2008	4,000
167	Bed	Furniture	1	287	05/09/2008	700
168	Credenza	Furniture	4	362	13/09/2008	20,000
169	Table	Furniture	4	362	13/09/2008	96,000
170	Chairs	Furniture	8	362	13/09/2008	36,000
171	Cabinet	Furniture	40	362	13/09/2008	320,000
172	Chairs	Furniture	51	362	13/09/2008	229,500
173	Work Station	Furniture	28	362	13/09/2008	798,000
174	Work Station	Furniture	40	362	13/09/2008	1,140,000
175	Ceiling Fan	Office Equipment	1	416	23/09/2008	1,900
176	Mobiles	Office Equipment	2	416	23/09/2008	12,200
177	AC Haier 1.5 Ton	Office Equipment	3	419	23/09/2008	98,100
178	Table	Furniture	1	489	29/09/2008	500
179	Cupboard	Furniture	1	482	29/09/2008	5,000
180	Water Dispenser	Office Equipment	1	487	29/09/2008	7,500
181	Telephone Set	Office Equipment	1	559	18/10/2008	5,500
182	Telephone Set	Office Equipment	1	559	18/10/2008	5,500
183	Bed	Furniture	1	567	20/10/2008	1,600
184	Bed	Furniture	2	606	28/10/2008	2,650
185	Printer A4 2015	Computer	12	112	28/11/2008	254,040
186	Bed	Furniture	3	877	03/12/2008	2,600
187	Carpet	Office Equipment	1	877	03/12/2008	3,072
188	Table	Furniture	1	877	03/12/2008	3,150

189	TV	Office Equipment	1	876	03/12/2008	21,200
190	Table	Furniture	1	895	04/12/2008	4,000
191	Table	Furniture	1	895	04/12/2008	5,600
192	Chairs	Furniture	1	895	04/12/2008	6,000
193	Chairs	Furniture	2	895	04/12/2008	8,400
194	Chairs	Furniture	2	895	04/12/2008	8,400
195	Sofa	Furniture	1	895	04/12/2008	19,500
196	Chairs	Furniture	8	895	04/12/2008	20,000
197	Cabinet	Furniture	3	895	04/12/2008	24,750
198	File Cabinet	Furniture	1	895	04/12/2008	28,031
199	Cabinet	Furniture	1	895	04/12/2008	29,597
200	File Cabinet	Furniture	1	895	04/12/2008	42,900
201	File Cabinet	Furniture	3	895	04/12/2008	45,000
202	Table	Furniture	1	895	04/12/2008	46,900
203	Store Racks	Furniture	1	895	04/12/2008	61,650
204	Stabilizer	Office Equipment	2	925	12/12/2008	4,000
205	AC Dawlance 1.5 Ton	Office Equipment	3	925	12/12/2008	94,500
206	Bruton Compass	Office Equipment	3	116	15/12/2008	26,850
207	CPU	Computer	1	116	15/12/2008	56,028
208	Printer DeskJet	Computer	5	116	15/12/2008	183,280
209	GPS Germin E-Trex	Office Equipment	6	116	15/12/2008	176,250
210	Steel Locker	Furniture	1	979	23/12/2008	5,500
211	Steel Rack	Furniture	1	978	23/12/2008	5,500
212	Steel Almerah	Furniture	7	978	23/12/2008	50,400
213	Burner	Office Equipment	1	1043	02/01/2009	2,150
214	Heater	Office Equipment	1	1092	12/01/2009	1,100
215	Burner	Office Equipment	1	1086	12/01/2009	1,600
216	UPS	Computer	1	1152	20/01/2009	13,340
217	BPM	Computer	1	1230	30/01/2009	1,118,035
218	Bed	Furniture	2	1252	02/02/2009	2,520
219	Bed	Furniture	2	1252	02/02/2009	4,300
220	Burner	Office Equipment	1	1373	17/02/2009	1,600
221	Carpet	Office Equipment	1	1364	17/02/2009	2,448
222	Bed	Furniture	2	1364	17/02/2009	5,000
223	LCD	Computer	1	1391	18/02/2009	14,268
224	CPU	Computer	1	1384	18/02/2009	62,638
225	CPU	Computer	2	1384	18/02/2009	95,584
226	LAPTOP	Computer	4	1392	18/02/2009	237,800
227	CPU	Computer	17	1392	18/02/2009	528,088
228	Table	Furniture	1	1404	20/02/2009	5,600
229	Chairs	Furniture	2	1404	20/02/2009	10,000
230	Chairs	Furniture	2	1404	20/02/2009	11,000
231	Cabinet	Computer	1	1404	20/02/2009	14,500
232	File Cabinet	Furniture	1	1404	20/02/2009	14,500
233	File Cabinet	Furniture	4	1404	20/02/2009	22,400
234	Sofa	Furniture	1	1404	20/02/2009	26,000
235	Chairs	Furniture	18	1404	20/02/2009	26,562
236	Camera	Office Equipment	2	1413	26/02/2009	41,000
237	Camera	Office Equipment	1	1413	26/02/2009	54,000

238	Camera	Office Equipment	17	1413	26/02/2009	155,200
239	Table	Furniture	1	148	28/02/2009	5,000
240	File Rack	Furniture	4	148	28/02/2009	18,000
241	Bruton Compass	Office Equipment	3	164	28/02/2009	26,850
242	GPS Germin E-Trex	Office Equipment	3	164	28/02/2009	29,375
243	Geological Hammers	Office Equipment	6	164	28/02/2009	56,700
244	Fire Extinguisher	Office Equipment	2	1596	13/03/2009	7,600
245	Fire Extinguisher	Office Equipment	4	1596	13/03/2009	8,000
246	Table	Furniture	41	1595	13/03/2009	31,000
247	Chairs	Furniture	50	1708	25/03/2009	98,600
248	Switch	Computer	1	1746	27/03/2009	1,750
249	Switch 24 Port	Computer	1	1746	27/03/2009	6,550
250	Printer	Computer	1	1747	27/03/2009	8,120
251	Camera	Office Equipment	1	190	31/03/2009	13,311
252	LAPTOP	Computer	1	190	31/03/2009	82,118
253	Side Rack	Furniture	1	1801	07/04/2009	800
254	Computer Table	Furniture	1	1801	07/04/2009	1,800
255	Pouch	Office Equipment	1	1821	07/04/2009	2,000
256	Central Table	Furniture	1	1801	07/04/2009	3,200
257	Office Table	Furniture	1	1801	07/04/2009	4,200
258	Revolving Chair	Furniture	1	1801	07/04/2009	4,200
259	Office Chair	Furniture	10	1801	07/04/2009	6,000
260	Carpet	Office Equipment	2	1801	07/04/2009	13,872
261	Steel Locker	Furniture	1	1840	09/04/2009	6,380
262	Burner	Office Equipment	1	1881	17/04/2009	1,600
263	Bed	Furniture	2	1881	17/04/2009	4,100
264	Bracket Fan	Office Equipment	1	212	30/04/2009	2,100
265	Bracket Fan	Office Equipment	2	212	30/04/2009	4,100
266	File Rack	Furniture	1	211	30/04/2009	8,800
267	Heater	Office Equipment	1	2035	04/05/2009	1,550
268	Bed	Furniture	1	2031	04/05/2009	2,000
269	UPS	Computer	1	2059	06/05/2009	4,964
270	Steel Almerah	Furniture	1	2060	06/05/2009	6,960
271	Pedestal Fan	Office Equipment	6	2226.1	20/05/2009	10,776
272	TV	Office Equipment	1	2246	22/05/2009	10,700
273	CPU	Computer	6	2232	22/05/2009	186,388
274	UPS	Computer	27	2232	22/05/2009	256,511
275	CPU	Computer	24	2232	22/05/2009	913,208
276	Microwave Oven	Office Equipment	1	2263.1	25/05/2009	5,567
277	Pedestal Fan	Office Equipment	9	2263.1	25/05/2009	16,172
278	TV	Office Equipment	1	2263.2	25/05/2009	16,576
279	Vaccum Cleaner	Office Equipment	1	2268	25/05/2009	8,700
280	Printer	Computer	1	2269	25/05/2009	25,000
281	Steel Almerah	Furniture	6	2428	16/06/2009	41,760
282	Scanner	Computer	1	2457	19/06/2009	14,950
283	Pedestal Fan	Office Equipment	1	2480	24/06/2009	2,950
284	Refrigerator	Office Equipment	1	2488	25/06/2009	21,675
285	Refrigerator	Office Equipment	1	2488	25/06/2009	24,348
286	Steel Almerah	Furniture	2	2494	26/06/2009	13,920

287	Burner	Office Equipment	1	2615	30/06/2009	1,500
288	Chairs	Furniture	1	305	30/06/2009	2,200
289	Scanner	Computer	2	2665	30/06/2009	9,860
290	Mobiles	Office Equipment	1	258	30/06/2009	12,000
291	Server Dell Precision 670	Computer	1	2664	30/06/2009	53,070
292	Carpet	Office Equipment	1	2679	30/06/2009	56,000
293	AC Mitsubishi 1.5 Ton	Office Equipment	5	23	16/07/2009	227,354
294	Panda GateDefender Integra 300	Computer	1	37	16/07/2009	778,292
295	KVM Switch 4 Port	Computer	1	305	21/07/2009	10,730
296	Table with Side Rack	Furniture	4	121	31/07/2009	104,632
297	Water Filter	Office Equipment	1	140	04/08/2009	5,700
298	Chairs	Furniture	29	318	06/08/2009	117,740
299	Pedestal Fan	Office Equipment	3	159	11/08/2009	5,913
300	Crimping Tools	Computer	1	347	19/08/2009	1,972
301	Switch 48 Port	Computer	1	347	19/08/2009	88,750
302	Router	Computer	1	347	19/08/2009	218,500
303	Locker	Furniture	2	414	01/09/2009	13,920
304	Almirah	Furniture	1	475	04/09/2009	13,920
305	Water Dispenser	Office Equipment	2	490	04/09/2009	20,400
306	Graduated Plastic Cylinder	Office Equipment	1	493	05/09/2009	162
307	Aluminium Scoop	Office Equipment	1	493	05/09/2009	174
308	Graduated Plastic Cylinder	Office Equipment	1	493	05/09/2009	348
309	Vernier Caliper	Office Equipment	1	493	05/09/2009	452
310	Stainless Steel Sieves	Office Equipment	1	493	05/09/2009	696
311	Stainless Steel Sieves	Office Equipment	1	493	05/09/2009	696
312	Stainless Steel Sieves	Office Equipment	1	493	05/09/2009	696
313	Stainless Steel Sieves	Office Equipment	1	493	05/09/2009	696
314	Stainless Steel Sieves	Office Equipment	1	493	05/09/2009	696
315	Stainless Steel Sieves	Office Equipment	1	493	05/09/2009	696
316	Stainless Steel Sieves	Office Equipment	1	493	05/09/2009	696
317	Stainless Steel Sieves	Office Equipment	1	493	05/09/2009	696
318	Stainless Steel Sieves	Office Equipment	1	493	05/09/2009	696
319	Stainless Steel Sieves	Office Equipment	1	493	05/09/2009	696
320	Stainless Steel Sieves	Office Equipment	1	493	05/09/2009	696
321	Stainless Steel Sieves	Office Equipment	1	493	05/09/2009	696
322	Stainless Steel Sieves	Office Equipment	1	493	05/09/2009	696
323	Stainless Steel Sieves	Office Equipment	1	493	05/09/2009	696
324	Stainless Steel Sieves	Office Equipment	1	493	05/09/2009	696
325	Galvanized Sampling Tray	Office Equipment	1	493	05/09/2009	696
326	Slump Cone Apparatus	Office Equipment	1	493	05/09/2009	800
327	Galvanized Sampling Tray	Office Equipment	2	493	05/09/2009	812
328	Galvanized Sampling Tray	Office Equipment	1	493	05/09/2009	870
329	Metalic Thermometer	Office Equipment	1	493	05/09/2009	928
330	Sand Cone c/w Base Plate	Office Equipment	1	493	05/09/2009	1,044
331	Max. Min. Thermometer	Office Equipment	1	493	05/09/2009	1,160
332	Sand Cone c/w Base Plate	Office Equipment	1	493	05/09/2009	1,160
333	Vernier Caliper	Office Equipment	1	493	05/09/2009	1,276
334	Graduated Plastic Cylinder	Office Equipment	1	493	05/09/2009	1,276
335	Galvanized Sampling Tray	Office Equipment	2	493	05/09/2009	1,276

336	Stainless Steel Sieves	Office Equipment	1	493	05/09/2009	1,740
337	Stainless Steel Sieves	Office Equipment	1	493	05/09/2009	1,740
338	Stainless Steel Sieves	Office Equipment	1	493	05/09/2009	1,740
339	Stainless Steel Sieves	Office Equipment	1	493	05/09/2009	1,740
340	Stainless Steel Sieves	Office Equipment	1	493	05/09/2009	1,740
341	Stainless Steel Sieves	Office Equipment	1	493	05/09/2009	1,740
342	Stainless Steel Sieves	Office Equipment	1	493	05/09/2009	1,740
343	Stainless Steel Sieves	Office Equipment	1	493	05/09/2009	1,740
344	Stainless Steel Sieves	Office Equipment	1	493	05/09/2009	1,740
345	Modified Compaction Hammer	Office Equipment	1	493	05/09/2009	1,856
346	Modified Compaction Mould	Office Equipment	1	493	05/09/2009	1,856
347	Swell Plate Brass	Office Equipment	2	493	05/09/2009	2,784
348	Sample Splitter	Office Equipment	1	493	05/09/2009	3,480
349	Liquid Limit Device	Office Equipment	1	493	05/09/2009	3,480
350	Spacer Disc	Office Equipment	2	493	05/09/2009	3,480
351	Stop Watch	Office Equipment	2	493	05/09/2009	3,712
352	Sample Splitter	Office Equipment	1	493	05/09/2009	3,944
353	Sample Splitter Quaclering Box	Office Equipment	1	493	05/09/2009	3,944
354	C.B.R Mould c/w Collar and Base Plate	Office Equipment	2	493	05/09/2009	3,944
355	Sample Splitter Quaclering Box	Office Equipment	1	493	05/09/2009	4,176
356	Desicator	Office Equipment	1	493	05/09/2009	5,220
357	Triple Beam Balance	Office Equipment	1	493	05/09/2009	5,568
358	Capping Device for Concrete Cylinder Mould	Office Equipment	2	493	05/09/2009	6,960
359	Wheel Barrow	Office Equipment	2	493	05/09/2009	8,120
360	Centogram Balance	Office Equipment	1	493	05/09/2009	8,700
361	Asphalt Compaction Hammer	Office Equipment	2	493	05/09/2009	9,280
362	Yield Bucket Steel	Office Equipment	2	493	05/09/2009	11,600
363	Electric Hot Plate	Office Equipment	2	493	05/09/2009	15,776
364	Cylinder Mould	Office Equipment	9	493	05/09/2009	16,704
365	Marshall Mould c/w Base Plate and Collar	Office Equipment	12	493	05/09/2009	16,704
366	Single Beam Field Balance	Office Equipment	1	493	05/09/2009	20,300
367	Curing Tank with Temperature Controller	Office Equipment	1	493	05/09/2009	20,604
368	Sample Extractor	Office Equipment	1	493	05/09/2009	20,880
369	Flow Meter	Office Equipment	1	493	05/09/2009	22,188
370	Speedy Moisture Tester	Office Equipment	1	493	05/09/2009	23,200
371	Sand Equivalent Apparatus Wooden Case	Office Equipment	2	493	05/09/2009	27,840
372	Electronic Digital Specific Gravity Balance	Office Equipment	2	493	05/09/2009	27,840
373	Thermostatically Controlled Digital Water Bath	Office Equipment	2	493	05/09/2009	34,800
374	50KN Proving Load / Ring	Office Equipment	2	493	05/09/2009	34,800
375	Electric Melting Pot with Element and Thermostat	Office Equipment	2	493	05/09/2009	34,800
376	Penetration / Swell Dial Gauge	Office Equipment	6	493	05/09/2009	36,192
377	Core Drill Bit c/w Diamond Cutting Edge	Office Equipment	2	493	05/09/2009	39,440
378	Compaction Pedestal and Mould Holder Assembly	Office Equipment	2	493	05/09/2009	46,400
379	Extraction Machine Capacity	Office Equipment	1	493	05/09/2009	55,680
380	Vacuum Pump for Gmm Aparatus	Office Equipment	2	493	05/09/2009	69,600
381	Electric Motorized C.B.R Machine	Office Equipment	2	493	05/09/2009	220,400
382	Electric Motorized Marshall Stability Machine	Office Equipment	2	493	05/09/2009	232,000
383	Pavement Core Drill with Vertical Imported Engine	Office Equipment	2	493	05/09/2009	243,600
384	Digital Lab Oven	Office Equipment	2	493	05/09/2009	243,600

385	Compression Strength Machine Hydraulic Hand	Office Equipment	2	493	05/09/2009	243,600
386	Switch Box	Computer	2	497	07/09/2009	10,440
387	Switch 24 Port	Computer	1	497	07/09/2009	21,460
388	Laser Printer	Computer	1	508	09/09/2009	24,476
389	Almirah	Furniture	7	510	09/09/2009	48,720
390	Camera	Office Equipment	5	512	09/09/2009	60,000
391	Sofa	Furniture	7	689	10/09/2009	18,690
392	LCD ACER	Computer	2	516	10/09/2009	44,474
393	Computer Table	Furniture	1	628	16/09/2009	4,640
394	Side Rack	Furniture	2	628	16/09/2009	11,600
395	Visitor Chair	Furniture	6	628	16/09/2009	15,312
396	Staff Table	Furniture	22	629	16/09/2009	190,889
397	Scanner N6310	Computer	1	976	21/09/2009	68,500
398	Stabilizer	Office Equipment	1	693	28/09/2009	2,450
399	Pedestal Fan	Office Equipment	3	693	28/09/2009	9,900
400	Fax Brother 2820	Computer	1	719	30/09/2009	24,940
401	Office Table	Furniture	15	934	17/10/2009	83,520
402	LCD Dell 17	Computer	1	999	23/10/2009	12,702
403	Locker	Furniture	8	998	23/10/2009	55,680
404	Steel Almerah	Furniture	11	998	23/10/2009	76,560
405	Office Table	Furniture	21	998	23/10/2009	116,928
406	Chairs	Furniture	51	998	23/10/2009	88,740
407	Chairs	Furniture	35	998	23/10/2009	129,920
408	Chairs	Furniture	3	1057	27/10/2009	2,400
409	Table	Furniture	1	1057	27/10/2009	3,000
410	Table	Furniture	1	1058	27/10/2009	3,050
411	UPS	Computer	15	1064-1	29/10/2009	142,500
412	CPU	Computer	15	1064-1	29/10/2009	630,750
413	CCTV	Office Equipment	1	1119	04/11/2009	266,800
414	Fax Brother 2820	Computer	2	1168	06/11/2009	49,880
415	Chairs	Furniture	40	1173	06/11/2009	79,856
416	Table	Furniture	20	1173	06/11/2009	111,360
417	Printer HL 5250 DN	Computer	5	1168	06/11/2009	122,380
418	Visitor Chair	Furniture	40	1275	14/11/2009	59,856
419	Office Table	Furniture	30	1275	14/11/2009	167,040
420	LCD ACER	Computer	1	1279	17/11/2009	13,827
421	Steel Almerah	Furniture	2	1394	25/11/2009	13,920
422	Chairs	Furniture	10	1394	25/11/2009	17,400
423	Cabinet	Furniture	3	1398.1	25/11/2009	18,096
424	Wall Rack	Furniture	5	1398.1	25/11/2009	26,680
425	Chairs	Furniture	30	1394	25/11/2009	111,360
426	Heater	Office Equipment	3	147	30/11/2009	3,830
427	Table	Furniture	1	1423	04/12/2009	650
428	Photocopier	Computer	1	1516	10/12/2009	109,968
429	Multimedia Projector-Acer	Office Equipment	1	1587	17/12/2009	79,808
430	Visitor Chair	Furniture	13	1683	22/12/2009	36,036
431	Work Station	Furniture	4	1684	22/12/2009	34,220
432	Heater	Office Equipment	1	1720	29/12/2009	3,600
433	3 Seater Bench	Furniture	2	190	31/12/2009	6,000

434	Mobiles	Office Equipment	2	192	31/12/2009	25,000
435	Table	Furniture	1	1786	06/01/2010	2,500
436	Chairs	Furniture	3	1786	06/01/2010	3,725
437	Table	Furniture	1	1786	06/01/2010	4,775
438	UPS	Computer	5	1795	07/01/2010	45,075
439	LAPTOP	Computer	2	1794	07/01/2010	112,520
440	CPU	Computer	5	1795	07/01/2010	196,974
441	HP Deskjet Printer	Computer	1	1959	18/01/2010	5,220
442	Cabinet	Furniture	1	1986	20/01/2010	6,380
443	Cabinet	Furniture	1	1986	20/01/2010	8,700
444	Steel Locker	Furniture	2	2015	25/01/2010	13,920
445	Exhuast Fan	Office Equipment	1	243	30/01/2010	1,300
446	Cabinet	Furniture	3	2242	01/02/2010	18,096
447	Visitor Chair	Furniture	28	2242	01/02/2010	41,899
448	Office Table	Furniture	14	2242	01/02/2010	77,952
449	Carrying Case	Computer	1	2249	02/02/2010	3,364
450	Steel Locker	Furniture	1	2251	02/02/2010	6,960
451	UPS	Computer	1	2247	02/02/2010	9,015
452	Printer HL 5250 DN	Computer	1	2257	02/02/2010	24,476
453	Fax Brother 2820	Computer	2	2257	02/02/2010	49,880
454	UPS	Computer	4	2286	09/02/2010	38,002
455	CPU	Computer	4	2286	09/02/2010	161,718
456	CCTV	Office Equipment	1	2304	10/02/2010	123,280
457	Vernier Caliper	Office Equipment	1	2359	13/02/2010	6,122
458	Micrometer Screw gage	Office Equipment	1	2359	13/02/2010	9,724
459	Heater	Office Equipment	2	2384	16/02/2010	3,800
460	Heater	Office Equipment	3	2384	16/02/2010	4,000
461	CPU	Computer	2	2250	22/02/2010	80,859
462	Printer HL 5250 DN	Computer	1	2535	24/02/2010	48,952
463	UPS	Computer	6	2533	24/02/2010	59,993
464	CPU	Computer	2	2533	24/02/2010	84,599
465	Camera	Office Equipment	11	2594	02/03/2010	107,800
466	UPS	Computer	5	2757	13/03/2010	49,996
467	CPU	Computer	5	2757	13/03/2010	211,497
468	Crimping Tools	Computer	1	2889	20/03/2010	2,900
469	UPS	Computer	1	2886	20/03/2010	9,015
470	Steel Almerah	Furniture	5	2928	24/03/2010	34,800
471	Laser Printer	Computer	2	2964	29/03/2010	48,952
472	Fax Brother 2820	Computer	2	2964	29/03/2010	49,880
473	Fan	Office Equipment	1	307	31/03/2010	1,855
474	TV Trolley	Office Equipment	1	312	31/03/2010	4,500
475	Chairs	Furniture	1	315	31/03/2010	4,755
476	Chairs	Furniture	1	311	31/03/2010	7,000
477	EVO USB	Computer	1	304	31/03/2010	8,000
478	Microwave Oven	Office Equipment	1	307	31/03/2010	9,268
479	Water Dispenser	Office Equipment	1	318	31/03/2010	10,500
480	Table	Furniture	1	315	31/03/2010	10,500
481	Table	Furniture	2	315	31/03/2010	10,700
482	Side Rack	Furniture	4	315	31/03/2010	13,820

483	Table	Furniture	8	312	31/03/2010	16,000
484	Table	Furniture	1	316	31/03/2010	19,120
485	Table	Furniture	4	315	31/03/2010	22,400
486	Table	Furniture	1	311	31/03/2010	23,000
487	Table	Furniture	1	313	31/03/2010	23,000
488	Refrigerator	Office Equipment	1	307	31/03/2010	28,245
489	Refrigerator	Office Equipment	1	317	31/03/2010	29,158
490	Chairs	Furniture	10	315	31/03/2010	32,000
491	Chairs	Furniture	12	316	31/03/2010	38,700
492	Bed	Furniture	8	312	31/03/2010	44,000
493	Bed	Furniture	12	310	31/03/2010	67,260
494	TV	Office Equipment	7	307	31/03/2010	80,461
495	Burner	Office Equipment	1	3097	02/04/2010	1,400
496	UPS	Computer	5	3150	02/04/2010	49,996
497	CPU	Computer	5	3150	02/04/2010	211,497
498	Table	Furniture	2	3153	03/04/2010	1,500
499	Table	Furniture	2	3153	03/04/2010	2,200
500	Carpet	Office Equipment	1	3153	03/04/2010	2,268
501	File Cabinet	Furniture	1	3199	08/04/2010	5,720
502	Chairs	Furniture	15	3199	08/04/2010	7,995
503	Gas Heater-Local made	Office Equipment	1	3297	12/04/2010	1,400
504	Heater	Office Equipment	1	3340	17/04/2010	3,000
505	Laser Printer	Computer	3	3460	28/04/2010	73,428
506	Printer HL 5250 DN	Computer	4	3462	28/04/2010	97,904
507	Printer HL 5250 DN	Computer	4	3461	28/04/2010	97,904
508	Fax Brother 2820	Computer	4	3462	28/04/2010	99,760
509	Table	Furniture	1	364	30/04/2010	4,500
510	Table	Furniture	2	365	30/04/2010	6,000
511	Carpet	Office Equipment	1	3505	03/05/2010	8,175
512	Curtains	Office Equipment	9	3505	03/05/2010	24,150
513	Scanner	Computer	1	3536	06/05/2010	4,930
514	Chairs	Furniture	11	3573	06/05/2010	21,960
515	Chairs	Furniture	15	3573	06/05/2010	31,800
516	Steel Locker	Furniture	5	3572	06/05/2010	44,800
517	Steel Almerah	Furniture	5	3572	06/05/2010	44,800
518	Chairs	Furniture	12	3573	06/05/2010	48,000
519	UPS	Computer	1	3534	06/05/2010	57,710
520	LAPTOP	Computer	1	3535	06/05/2010	61,005
521	UPS	Computer	15	3537	06/05/2010	149,988
522	CPU	Computer	15	3537	06/05/2010	634,491
523	Burner	Office Equipment	1	3592	07/05/2010	1,800
524	Shelf	Furniture	2	3603	07/05/2010	2,050
525	Bracket Fan	Office Equipment	1	3766	19/05/2010	2,400
526	Wall Rack	Furniture	1	3797	19/05/2010	4,176
527	Wall Rack	Furniture	2	3797	19/05/2010	11,136
528	Stabilizer	Office Equipment	1	3824	19/05/2010	11,500
529	Chairs	Furniture	8	3822	19/05/2010	14,880
530	Steel Locker	Furniture	2	3822	19/05/2010	16,320
531	Almirah	Furniture	2	3797	19/05/2010	16,704

532	Camera	Office Equipment	2	3820	19/05/2010	19,600
533	Steel Almerah	Furniture	12	3822	19/05/2010	85,920
534	Table+Chair	Furniture	1	3925	28/05/2010	3,500
535	Fax Brother 2820	Computer	1	5141	11/06/2010	24,940
536	EVO USB	Computer	1	5154	14/06/2010	4,000
537	Steel Locker	Furniture	3	5292	23/06/2010	16,800
538	Almirah	Furniture	3	5292	23/06/2010	20,400
539	Revolving Chair	Furniture	8	5292	23/06/2010	26,400
540	Office Table	Furniture	8	5292	23/06/2010	32,000
541	Office Chair	Furniture	7	5292	23/06/2010	11,760
542	Pedestal Fan	Office Equipment	1	5347	24/06/2010	1,220
543	Heater	Office Equipment	1	5347	24/06/2010	1,850
544	USB Flat Scanner	Computer	1	5459	30/06/2010	4,930
545	USB External Passport size HDD 250 GB	Computer	1	5453	30/06/2010	6,300
546	Visitor Chair	Furniture	12	5502	30/06/2010	20,428
547	Office Table	Furniture	4	5502	30/06/2010	23,346
548	Almirah	Furniture	3	5502	30/06/2010	26,265
549	Wall Rack	Furniture	5	5502	30/06/2010	67,486
550	Computer Table	Furniture	1	256	02/08/2010	3,500
551	Office Table	Furniture	1	256	02/08/2010	5,568
552	Side Rack	Furniture	3	256	02/08/2010	5,700
553	Visitor Chair	Furniture	6	256	02/08/2010	9,600
554	Revolving Chair	Furniture	2	290	09/08/2010	6,000
555	Revolving Chair	Furniture	2	290	09/08/2010	8,000
556	Working Table	Furniture	2	290	09/08/2010	10,700
557	Steel Almerah	Furniture	4	290	09/08/2010	36,000
558	Office Table	Furniture	9	290	09/08/2010	37,800
559	Steel Rack	Furniture	6	290	09/08/2010	39,300
560	Office Chair	Furniture	32	290	09/08/2010	54,080
561	Revolving Chair	Furniture	6	301	13/08/2010	27,840
562	Ceiling Fan	Office Equipment	1	133	31/08/2010	2,203
563	Switch	Computer	1	575	06/09/2010	1,000
564	Fan	Office Equipment	5	606	07/09/2010	5,997
565	Shelf	Furniture	1	760	22/09/2010	9,126
566	Telephone Set	Office Equipment	1	196	30/09/2010	6,000
567	Micrometer	Office Equipment	4	281	29/11/2010	1,600
568	Vernier Caliper	Office Equipment	4	281	29/11/2010	2,000
569	Heater	Office Equipment	5	1720	10/01/2011	12,500
570	Cylinder with Heater	Office Equipment	3	2185	21/02/2011	3,750
571	Suzuki Jimny	Vehicle	4	1045	26/04/2008	4,439,139
572	CPU	Computer	6	1173	21/05/2008	300,780
573	Hard Disk	Computer	6	1173	21/05/2008	54,400
574	UPS	Computer	6	1173	21/05/2008	30,740
575	Printer	Computer	2	1173	21/05/2008	51,392
576	Printer DeskJet	Computer	2	1469	30/06/2008	33,000
577	LAPTOP	Computer	4	1469	30/06/2008	349,600
578	Hard Disk	Computer	4	1469	30/06/2008	34,000
579	Bed	Furniture	1	47	29/07/2008	950
580	Bed	Furniture	1	47	29/07/2008	6,200

581	Bed	Furniture	3	775	21/11/2008	11,750
582	Bed	Furniture	4	1255	02/02/2009	5,200
583	Heater-N	Office Equipment	3	1290	10/02/2009	3,495
584	Mobiles	Office Equipment	1	2021	04/05/2009	12,000
585	TV	Office Equipment	0	2183	12/05/2009	0
586	Sofa	Furniture	5	2183	12/05/2009	21,450
587	Water Dispenser	Office Equipment	1	2183	12/05/2009	8,700
588	Fridge	Office Equipment	1	2183	12/05/2009	25,520
589	Bed	Furniture	10	2183	12/05/2009	80,560
590	Refrigerator	Office Equipment	1	2267	25/05/2009	23,200
591	Toyota Corolla GLI Car	Vehicle	1	2284	28/05/2009	1,324,000
592	Table	Furniture	1	2303	01/06/2009	20,800
593	Table	Furniture	8	2303	01/06/2009	46,800
594	Table	Furniture	1	2303	01/06/2009	25,000
595	Chairs	Furniture	1	2303	01/06/2009	7,800
596	Chairs	Furniture	8	2303	01/06/2009	36,400
597	Chairs	Furniture	8	2303	01/06/2009	16,640
598	Chairs	Furniture	10	2303	01/06/2009	32,500
599	Chairs	Furniture	8	2303	01/06/2009	22,880
600	Curtain-N	Furniture	28	2323	05/06/2009	19,300
601	Carpet	Furniture	1	2324	05/06/2009	19,800
602	Chairs	Furniture	1	30.1	31/07/2009	14,245
603	Chairs	Furniture	4	30.1	31/07/2009	12,900
604	Table	Furniture	1	30.1	31/07/2009	30,125
605	Table	Furniture	5	30.1	31/07/2009	27,775
606	Table	Furniture	4	30.1	31/07/2009	22,000
607	Chairs	Furniture	20	30.1	31/07/2009	72,960
608	Bed	Furniture	6	30.2	31/07/2009	28,320
609	Side Table	Furniture	3	30.2	31/07/2009	6,510
610	Side Rack	Furniture	3	30.1	31/07/2009	10,500
611	Heater	Office Equipment	1	212	31/12/2009	18,300
612	Table	Furniture	6	2243	01/02/2010	33,408
613	Chairs	Furniture	12	2243	01/02/2010	24,957
614	CPU	Computer	3	2285	09/02/2010	121,288
615	UPS	Computer	3	2285	09/02/2010	28,502
616	LAPTOP	Computer	1	2285	09/02/2010	79,800
617	Printer DeskJet	Computer	2	2723	11/03/2010	51,600
618	Fax Brother 2820	Computer	1	2965	29/03/2010	24,940
619	Camera	Office Equipment	4	3359	17/04/2010	39,200
620	TerracanA/T Model 2005	Vehicle	1	18	13/07/2007	2,592,500
621	Suzuki Jimny	Vehicle	2	200	25/09/2007	1,852,618
622	Fridge	Office Equipment	1	411	27/11/2007	20,000
623	Bed	Furniture	8	411	27/11/2007	52,000
624	Camera	Office Equipment	5	680	09/02/2008	51,375
625	CPU	Computer	4	767	29/02/2008	199,600
626	Suzuki Jimny	Vehicle	3	835	14/03/2008	2,758,902
627	LAPTOP	Computer	2	879	24/03/2008	132,742
628	Bed	Furniture	1	699	07/11/2008	1,400
629	Bed	Furniture	1	699	07/11/2008	4,600

630	Generator	Office Equipment	1	1863	15/04/2009	115,000
631	LAPTOP	Computer	2	1471	05/12/2009	159,600
632	Printer DeskJet	Computer	3	1470	05/12/2009	62,640
633	UPS	Computer	1	1588	17/12/2009	13,282
634	Table	Furniture	1	314	31/03/2010	10,500
635	HDD	Computer	1	963	30/06/2006	18,400
636	USB	Computer	2	229	30/08/2006	7,600
637	Water Filter	Office Equipment	1	447	14/11/2006	2,500
638	USB	Computer	1	02	01/02/2007	1,100
639	Network wired	Computer	1	949	13/02/2007	396,350
640	Grass cutting Machine	Office Equipment	1	962	16/03/2007	4,830
641	Bracket Fan	Office Equipment	1	68	29/06/2007	900
642	RAM	Computer	1	251	29/06/2007	2,000
643	Windows	Computer	10	121	27/08/2007	89,500
644	Windows	Computer	5	121	27/08/2007	44,750
645	USB	Computer	1	11	28/08/2007	1,000
646	Telephone Set	Office Equipment	1	149	04/09/2007	2,500
647	Mattress	Furniture	15	329	02/11/2007	25,125
648	Plastic Chairs & tables	Furniture	55	329	02/11/2007	34,585
649	Mattress	Furniture	2	336	03/11/2007	3,300
650	Mattress	Furniture	1	357	12/11/2007	1,650
651	RAM	Computer	1	57	30/11/2007	4,800
652	HDD	Computer	1	860	12/01/2008	22,330
653	Burner	Office Equipment	1	615	25/01/2008	800
654	Heater	Office Equipment	1	615	25/01/2008	1,500
655	DVD ROM	Computer	1	618	26/01/2008	2,250
656	Hard Disk	Computer	1	1236	30/01/2008	5,700
657	Stabilizer	Office Equipment	1	667	01/02/2008	1,550
658	Heater	Office Equipment	3	668	07/02/2008	450
659	Windows	Computer	40	687	13/02/2008	336,000
660	Telephone Set	Office Equipment	1	704	16/02/2008	700
661	USB	Computer	1	756	28/02/2008	950
662	Windows	Computer	5	766	29/02/2008	45,920
663	USB	Computer	10	877	24/03/2008	8,900
664	Bed	Furniture	2	927	07/04/2008	1,400
665	Telephone set	Office Equipment	1	963	09/04/2008	600
666	Cylinder	Office Equipment	1	984	10/04/2008	925
667	Mattress	Furniture	1	984	10/04/2008	1,700
668	Mattress	Furniture	4	1023	20/04/2008	7,000
669	Steel Stair	Furniture	1	1024	23/04/2008	1,500
670	Bed	Furniture	2	1036	25/04/2008	2,000
671	Burner	Office Equipment	1	1036	25/04/2008	1,050
672	Telephone Set	Office Equipment	1	1037	25/04/2008	2,300
673	USB	Computer	1	1067	28/04/2008	1,000
674	USB	Computer	1	1192	26/05/2008	2,000
675	Burner	Office Equipment	1	1207	30/05/2008	700
676	RAM	Computer	1	169	30/06/2008	4,700
677	Iron	Office Equipment	1	9	16/07/2008	1,200
678	USB	Computer	1	43	29/07/2008	1,000

679	Bed	Furniture	1	88	08/08/2008	1,500
680	Heater	Office Equipment	1	160	08/08/2008	100
681	Mattress	Furniture	1	170	19/08/2008	2,200
682	Telephone Set	Office Equipment	1	167	19/08/2008	600
683	Tyres	Vehicle	4	164	19/08/2008	40,500
684	Cylinder	Office Equipment	1	351	11/09/2008	900
685	Cylinder	Office Equipment	1	351	11/09/2008	1,220
686	Cylinder	Office Equipment	1	287	15/09/2008	1,000
687	Bed	Furniture	1	485	29/09/2008	1,250
688	Telephone Set	Office Equipment	1	485	29/09/2008	700
689	Burner	Office Equipment	1	731	13/11/2008	1,800
690	Mother Board	Computer	1	777	21/11/2008	6,800
691	Telephone Set	Office Equipment	1	831	26/11/2008	800
692	Windows	Computer	1	112	28/11/2008	12,750
693	Hard Disk	Computer	1	860	01/12/2008	22,330
694	USB	Computer	1	890	04/12/2008	975
695	Motherboard	Computer	1	968	20/12/2008	4,900
696	HDD	Computer	1	969	20/12/2008	11,902
697	RAM	Computer	1	969	20/12/2008	3,712
698	Hard Disk	Computer	1	969	20/12/2008	11,902
699	Mother Board	Computer	1	968	20/12/2008	4,900
700	RAM	Computer	1	969	20/12/2008	3,712
701	Telephone Set	Office Equipment	1	1043	02/01/2009	900
702	Cylinder	Office Equipment	1	1086	12/01/2009	2,000
703	Heater	Office Equipment	2	1092	12/01/2009	1,100
704	Heater	Office Equipment	2	1092	12/01/2009	1,040
705	Kettle	Office Equipment	1	124	15/01/2009	2,500
706	Heater	Office Equipment	1	1112	16/01/2009	180
707	DVD RW	Computer	1	1117	17/01/2009	3,828
708	Mattress	Furniture	28	1149	19/01/2009	93,800
709	USB	Computer	1	1153	20/01/2009	3,712
710	Tyres	Vehicle	5	1198	24/01/2009	52,500
711	Mattress	Furniture	8	1252	02/02/2009	18,400
712	Telephone Set	Office Equipment	1	1249	02/02/2009	800
713	Telephone Set	Office Equipment	1	1250	02/02/2009	670
714	Heater	Office Equipment	1	1284	2/10/2009	750
715	Telephone Set	Office Equipment	2	1284	10/02/2009	1,050
716	Telephone Set	Office Equipment	1	1356	17/02/2009	650
717	LAPTOP	Computer	1	1392	18/02/2009	59,450
718	DVD RW	Computer	1	1377	18/02/2009	3,712
719	Documents	Office Equipment	12	1441	28/02/2009	335,500
720	Heater	Office Equipment	1	1471	04/03/2009	370
721	Heater	Office Equipment	1	1471	04/03/2009	400
722	Heater	Office Equipment	1	1538	09/03/2009	500
723	Telephone Set	Office Equipment	1	1538	09/03/2009	680
724	Plastic chair & Table	Furniture	3	1538	09/03/2009	1,350
725	Telephone Set	Office Equipment	1	1642	19/03/2009	800
726	Windows	Computer	1	1745	27/03/2009	62,082
727	Hard disk	Computer	1	1744	27/03/2009	5,700

728	USB	Computer	1	1833	09/04/2009	1,750
729	USB	Computer	5	1833	09/04/2009	4,750
730	USB	Computer	5	1833	09/04/2009	4,750
731	Tyres	Vehicle	5	2224	20/05/2009	60,750
732	HDD	Computer	3	2663	30/06/2009	56,700
733	DVD RW	Computer	1	346	30/06/2009	3,422
734	BibloGraphy & Map	Office Equipment	1	146	24/07/2009	15,000
735	Windows	Computer	15	1064-1	29/10/2009	171,750
736	Cylinder	Office Equipment	3	1682	22/12/2009	4,050
737	Hard disk	Computer	1	1909	16/01/2010	4,150
738	Hard disk	Computer	1	1958	18/01/2010	5,800
739	Hard disk	Computer	1	1963	18/01/2010	9,375
740	Hard disk	Computer	1	2247	02/02/2010	5,496
741	RAM	Computer	1	2247	02/02/2010	4,970
742	Hard disk	Computer	1	2304	10/02/2010	6,960
743	RAM	Computer	1	2885	20/03/2010	5,742
744	RAM	Computer	3	2886	20/03/2010	17,226
745	EVO(USB)	Office Equipment	1	304	31/03/2010	8,000
746	Hard Disk	Computer	1	3798	19/05/2010	10,962
747	Hard Disk	Computer	1	5452	30/06/2010	4,814
748	RAM	Computer	2	5456	30/06/2010	27,260
749	Side Table	Furniture	3	160	18/08/2010	2,400
750	Table	Furniture	3	160	18/08/2010	1,200
Total						61,625,813

Annexure-X
(Para No. 1.4.25)

Non-conducting of final verification of defects pointed out in Punch list under Water distribution network component-B Muzaffarabad-Rs.49.151 million

Sr. No.	Description	No. of locations as per punch list	No. of defects pointed out in punch list	Remarks
1.	Old city zone-P1	11	11	No documentary evidence available with the department with regard to attend the defects pointed out in the punch list.
2.	Old city zone-P2	8	8	
3.	Old city zone-M1	30	30	
4.	Old city zone-M2	21	21	
5.	Old city zone-MA1	24	24	
6.	Old city zone-T2	10	10	
7.	Old city zone-P3	12	12	
8.	Old city zone-TA3	12	12	
9.	Old city zone-T5	16	16	
10.	Old city zone-Shahnara	19	19	
11.	Chattar Zone-D1	40	40	
12.	Chattar Zone-D2(042)	31	31	
13.	Chattar Zone-D2(038)	9	9	
14.	Chattar Zone-D5	6	6	
15.	Chattar Zone-D6	6	6	
16.	Chattar Zone-D7	6	6	
17.	Chattar Zone-D8	6	6	
18.	Chattar Zone-Baldia	3	3	
19.	Chattar Zone-Abbad	5	5	
20.	Jalalabad zone-N1	8	8	
21.	Jalalabad zone-N5	8	8	
22.	Jalalabad zone-N1-1	10	10	
23.	Jalalabad zone-(DHQ2)	6	6	
24.	Jalalabad zone-zero point tank	9	9	
25.	Jalalabad zone-Sangri	9	9	

Annexure-XI
(Para No. 1.4.26)

Un-authorize payment of executive allowance – Rs. 33.285 million

Sr. No.	Particulars	Designation	BPS	Basic Pay as on 30.06.2022	Executive Allowance Rate @ 1.5 times	6-month wef 01.01.2024 to 30.06.2024	Arrear of Executive Allowance w.e.f 01.01.2023 to 31.12.2023
1	Brig Badar Zaman	DG (R&R)	20	133,355	200,033	1,200,195	360,066
2	Brig Shahid Ismail	DG (A&F)	20	119,575	179,363	1,076,175	159,363
3	Naiknam Muhammad Baig	COS	20	154,395	231,593	1,389,555	423,186
4	Fazal -e- Rahim Afridi	DG (R&R)	19	119,575	179,363	1,076,175	318,726
5	Muhammad Masood Imran	Director	19	80,560	120,840	725,040	605,040
6	Col Sajid Rafiq	DDG (Admn)	19	116,055	174,083	1,044,495	1,896,996
7	Col Muhammad Shuaib Shakir	Director Technical	19	119,575	179,363	1,076,175	318,726
8	Muhammad Sajid	AO	18	78,530	117,795	706,770	436,815
9	Major Fasiullah Khan Durrani	DD(MT)	18	101,965	152,948	917,685	1,643,376
10	Major Muhammad Farhan Afzal	DD HR	18	68,765	103,148	618,885	590,036
11	Major Shaista Khan	DD HR	18	78,725	118,088	708,525	1,225,056
12	Major Abdul Sattar Abbasi	DD Security	18	92,005	138,008	828,045	1,086,072
13	Major Hannan Ahmad Bhatti	DD C&P	18	82,045	123,068	738,405	1,284,816
14	Major Muhammad Mohsin	DD SPC	18	75,405	113,108	678,645	372,432
15	Major Junaid Ali Khan	DD HR	18	95,325	142,988	857,925	491,952
16	Zafar Kamal Khan	Director Finance	19	111,060	166,590	999,540	1,807,080
17	Mir Hamza stroyani	Director Proc	19	80,560	120,840	725,040	416,372
18	Zaheer Sultan	AO	18	81,400	122,100	732,600	1,219,926
19	Syed Nadeem Ur Rehman	AO	18	72,790	109,185	655,110	178,370
20	Mohsin Amin	AO	18	69,920	104,880	629,280	1,066,560
Total					2,897,378	17,384,265	15,900,966
Grand Total							33,285,231

Annexure-XII
(Para No. 2.4.2)

Overpayment on account of escalation to M/s NLC for Orangi Nullah—
Rs. 2.437 billion

(Rs. in million)

Sr. No	IPC No.	Date of IPC	Construction cost	Years	Escalation 1st year Nil, 2nd year 6.5% & 3rd year 13%
1.	1	24.08.2021	1,421	1 st	Not allowed
2.	2	18.03.2022			
3.	3	13.04.2022	6,433.685	2 nd	418.189
4.	4	31.05.2022			
5.	5	23.06.2022			
6.	6	05.09.2022			
7.	7	17.10.2022			
8.	8	13.11.2022			
9.	9	03.12.2022			
10.	10	27.12.2022			
11.	11	15.02.2023	3,171	3 rd	412.23
12.	12	20.03.2023			
13.	13	03.04.2023			
14.	14	09.05.2023			
15.	15	07.06.2023			
16.	16	12.08.2023			
17.	17	12.08.2023			
18.	18	22.02.2024			
Total					830.419

Annexure-XIII
(Para No. 2.4.4)

Non-transparent invoices of the suppliers with regard to sales tax Rs 735.751 million

(Rs. in million)

S#	Particulars	Date	Amount paid	18% GST	Remarks
1.	M/s Asjad Ali & Co	07.04.23	719.248	104.315	GST invoice was not available. Moreover, against the bill of Rs. 683.84 million payment was processed for Rs. 719.248 million thus excess of Rs. 35.408 million
2.	-do-	17.03.23	163.661	30.686	-do-
3.	M/s Awan Traders	10.04.23	132.75	20.25	GST invoice without date.
4.	M/s Pearl Associates	17.03.23	272.250	47.250	Invoice bill was not sequentially numbered, hence not a GST invoice.
5.	-do-	07.04.23	610.630	87.750	Invoice bill of Rs. 262.5 M was attached with claim.
6.	M/s Maris Int.	17.03.23	263.4	45.900	Invoice bill was not sequentially numbered, hence not a GST invoice.
7.	-do-	07.04.23	619.725	89.100	-do-
8.	M/s FTS	17.03.23	139.50	27.00	-do- and invoice bill of Rs. 150 M was submitted. Payment was processed for Rs. 177 million thus excess of Rs. 27 million.
9.	-do-	07.04.23	743.280	108.00	-do- and invoice bill of Rs. 708 M was submitted by supplier, payment was processed for Rs. 743.280 million thus excess of Rs. 35.28 million
10.	M/s Ariyan Int.	10.04.23	264.836	40.50	Invoice bill was not sequentially numbered, hence not a GST invoice.
11.	M/s Pak Business	17.03.23	177.555	32.805	Invoice bill submission date 30.03.23 with GST Rs. 215.055 M and invoice without GST Rs. 182.250 was submitted 15.03.23
12.	-do-	07.04.23	705.570	102.195	Invoice bill of Rs. 669.945 million was submitted but sanctioned for Rs. 705.570 million.
Total			4811.399	735.751	---

**Annexure-XIV
(Para No. 2.4.6)**

**Overpayment to suppliers due to less deduction of taxes –
Rs. 355.775 million**

(Rs. in million)

Sr. No	Particulars	Paid amount	Date	Withholding tax deducted @ 1%	Withholding tax to be deducted @ 5%	Less deduction of income tax
1.	M/s Usman Traders, Lahore for supply of 18,826 family tents	509.969	12.12.23	4.988	25.498	20.51
2.	-do-	467.100	03.11.23	4.659	23.355	18.686
3	M/s Usman Traders, Lahore for supply of 23,287 family tents	554.050	23.02.24	5.527	27.703	22.176
4	-do-	714.974	05.04.24	7.132	35.749	28.617
5.	M/s Maris International Ltd, Rawalpindi for supply of 15,229 winterized tents	685.720	23.02.24	6.840	34.286	27.446
6.	-do-	636.157	16.04.24	6.346	31.81	25.462
7.	M/s Maris International Ltd, Rawalpindi for supply of 7,839 winterized tents	662.395	12.12.20 23	6.607	33.12	26.513
8.	M/s Peral Associates for supply of 79,660 blankets	483.718	01.12.23	4.805	24.186	19.381
9.	M/s FTS International for supply of 27,000 blankets	86.468	01.12.23	0.839	4.323	3.484
10.	M/s Asjad Ali & Co	750	March- April 2023	7.5	37.5	30
11.	M/s Maris Int.	750		7.5	37.5	30
12.	M/s FTS	750		7.5	37.5	30
13.	M/s Pearl Associates	750		7.5	37.5	30
14.	M/s Pak Business	750		7.5	37.5	30
15.	M/s Ariyan Int	225		2.25	11.25	9
16.	M/s Awan Traders	112.50		1.125	5.625	4.5
Total				88.618	444.405	355.775

Annexure-XV
(Para No. 2.4.7)

Excess payment on account non-executed items – Rs. 158.979 million

(Rs. in million)

Sr. No	Description	Unit	Rate	Qty	Paid amount up to IPC#10	Inventory list of NEOC Building
1.	Cat 6 Cable Roll (Bill No.3. 3c)	Job	118,463	130	15.400	0
2.	Providing and installation of additional cable ((Bill No.3. 3i)	Job	26.022	1	26.022	0
3.	Providing and installation of additional PA system (Bill No.3. 3j)	Job	0.981	1	0.981	0
4.	Metal frame 16x40 ft (Bill No.1. 1c)	Job	3.729	6	22.376	0
5.	Metal frame 8x40 ft (Bill No.1. 1c)	Job	1.828	1	1.828	0
6.	Providing and installing of additional video walls etc Metal frame 16x40 ft (Bill No.1, 1e)	Job	31.25	1	31.25	0
7.	IP PBX & Phone etc Metal frame 16x40 ft (Bill No.1. 34)	Job	1.141	1	1.141	0
8.	Providing and installing additional PA system etc Metal frame 16x40 ft (Bill No.1. 3e)	Job	3.330	1	3.330	0
9.	Earthing equipment & installation Metal frame 16x40 ft (Bill No.1. 3f)	Job	3.775	1	3.775	0
10.	Samsung 4K LED 85 inch (Bill No.1. 4a)	Job	1.280	10	12.796	0
11.	Samsung 4K LED 65 inch (Bill No.1. 4b)	Job	0.582	26	15.134	0
12.	*1000 Mbps CIR IP connectivity (Bill No.3. 3a)	Job	17.453	1	16.581	0
13.	Providing and installing of ONT etc (Bill No.3. 3i)	Job	9.294	1	8.365	0
Total					158.979	

* as per inventory list 200 Mbps CIR IP connectivity was provided.

**Annexure-XVI
(Para No.2.4.8)**

Overpayment on account of price adjustment (Orangi and Gujjar Nullahs project) to M/s NLC and M/s FWO - Rs. 40.129 million

(Rs. in million)

(Orangi Nullah by M/s NLC)									
Particulars	Executed QTY as per IPC-1 dated 24.08.2021			EPC-1 dated 14.06.2022 (portion pertaining to IPC-1)					
	Qty	Rate	Amount	Labor	Cement	Steel	HSD	Bitumen	Total Escalation
Cleaning of existing Nullah etc by labour & equipment and carriage of tons upto Jam Chakro Disposal location	431,932	2,000	796.847	0	1.284	17.573	(3.324)	2.385	17.918
(Gujjar Nullah by M/s FWO)									
Particulars	Executed QTY as per IPC-1 dated 24.08.2021			EPC-1 dated 14.06.2022 (portion pertaining to IPC-1)					
	Qty	Rate	Amount	Labor	Cement	Steel	HSD	Bitumen	Total Escalation
Cleaning of existing Nullah etc by labour & equipment and carriage of tons upto Jam Chakro Disposal location	435,533	1,630	709,919	0	1.280	18.643	(2.589)	4.877	22.211

**Annexure-XVII
(Para No. 2.4.10)**

**Over-priced award of contracts to state-owned entities on account of
Gujjar and Orangi Nullah work – Rs. 5.674 billion**

Detail of Orangi Nullah			(Rs. in million)					
S. No	Item No.	Discription	1	2	3	4	5	6
			BOQ Quantity	BOQ Executed up to IPC No.18	Rate as per BOQ	Rate as per NHA 2014	Column 3-4 Difference of rate	Column 5x2 Overprice
Nullah Retaining walls								
1	510	Dismantling of structures and obstructions	29039.92	10143	1890	1,645.87	244.13	2.476
2	107a	Structural Excavation in common material	560501.9	745905	1599	363.58	1,235.42	921.506
3	401a3i	Concrete Class A3 (Under Ground)	32333.61	57436	16612	10,969.58	5,642.42	324.078
4	401a3ii	Concrete Class A3 (on Ground)	36084.56	65137	18468	11,829.63	6,638.37	432.404
5	404b	REINFORCEMENT AS PER AASHTO M. 31 GRADE 60	6918.7	11495	18000	114,221.20	65,778.78	756.127
Culvert 29 Nos (Box type RCC)								
6	401a3i	Concrete Class A3 (Under Ground)	1569.1	1333	16612	10,969.58	5,642.42	7.521
7	401a3ii	Concrete Class A3 (on Ground)	1143.88	1727	16909	11,829.63	5,079.37	8.772
8	401a3iii	Concrete Class A3 (Elevated)	1579.3	617	18211	12,254.40	5,956.60	3.675
9	404b	Reinforcement as per AASHTO m. 31 grade 60	938.81	534	18000	114221.20	65,778.78	35.126
10	510	Dismantling of structures and obstructions	4707.31	3501	1890	1,645.87	244.13	0.855
Pedestrian Crossings 3 Nos								
11	401a3i	Concrete Class A3 (Under Ground)	59.6	39	16612	10,969.58	5,642.42	0.220

Detail of Orangi Nullah			(Rs. in million)					
S. No	Item No.	Discription	1	2	3	4	5	6
			BOQ Quantity	BOQ Executed up to IPC No.18	Rate as per BOQ	Rate as per NHA 2014	Column 3-4 Difference of rate	Column 5x2 Overprice
12	401a3ii	Concrete Class A3 (on Ground)	43	82	16909	11,829.63	5,079.37	0.417
13	401a3ii	Concrete Class A3 (Elevated)	59.98	33	18211	12,254.40	5,956.60	0.197
14	404b	Reinforcement as per AASHTO m. 31 grade 60	35.66	13	18000	114221.2	65,778.7	0.855
Sewerage Works (Man Holes, Sewer Pipes & Nullah Cleaning)								
15	107a	Structural Excavation in common material	123263	854	1599	363.58	1,235.42	1.055
16	401f	Lean Concrete	3973	3064	8284	6,307.69	1,976.31	6.055
17	404b	Reinforcement as per AASHTO m. 31 grade 60	4687	4333	18000	114,221.2	65,778.7	285.019
18	502b	Concrete class b in bedding and encasement of concrete pipe culvert	403	2127	11000	8,019.14	2,980.86	6.340
19	401a3i	Concrete Class A3 (Under Ground)	12216	12199	16612	10,969.58	5,642.42	68.832
20	401a3ii	Concrete Class A3 (on Ground)	24529	25254	16909	11,829.63	5,079.37	128.274
Road Works (Road Structure, embankment and road marking paint)								
21	110	Improved sub-garde (cbr>20%)	140344	164717	1654	787.39	866.61	142.745
22	201	Granular sub-base	1045	1557	2305	1,540.96	764.04	1.190
23	202	Aggregate base	907	1194	2708	1,740.12	967.88	1.156
24	203b	Asphaltic base course plant mix (class b)	15491.41	149	18900	18,441.86	458.14	0.068
Total								3.135
Detail of Gujjar Nullah								
		Description	1	2	3	4	5	6

Detail of Orangi Nullah			(Rs. in million)					
S. No	Item No.	Discription	1	2	3	4	5	6
			BOQ Quantity	BOQ Executed up to IPC No.18	Rate as per BOQ	Rate as per NHA 2014	Column 3-4 Difference of rate	Column 5x2 Overprice
Sr. No	Item No.	Discription	BOQ Quantity	BOQ Executed up to IPC No.15	Rate as per BOQ	Rate as per NHA 2014	Column 3-4 Difference of rate	Column 5x2 Overprice
			Nullah Works					
1	510	Dismantling of structures and obstructions	32291.73	3506	1909	1,645.87	263.13	0.923
2	107a	Structural Excavation in common material	352600	276877	1536	363.58	1,172.42	324.616
3	107d	Granular Fill	184565.6	664505	2400	1589.34	810.66	538.688
4	401a3i	Concrete Class A3 (Under Ground)	34281.75	42692	15000	10,969.58	4,030.42	172.067
5	401a3ii	Concrete Class A3 (on Ground)	38608.9	57418	15350	11,829.63	3,520.37	202.133
7	401f	Lean Concrete	6307.36	6497	8300	6,307.69	1,992.31	12.944
8	404b	Reinforcement as per AASHTO m. 31 grade 60	7334.35	9070	18000	114,221.2	65,778.7	596.614
Bridge at Rd 11+800								
9	401a3i	Concrete Class A3 (Under Ground)	202.43	669	15000	10,969.58	4,030.42	2.696
10	401a3ii	Concrete Class A3 (on Ground)	61.2	742	15350	11,829.63	3,520.37	2.612
11	401a3iii	Concrete Class A3 (Elevated)	193.01	867	16500	12,254.40	4,245.60	3.681
12	404b	Reinforcement as per AASHTO m. 31 grade 60	124.75	328	18000	114221.2	65,778.7	21.575
RCC 16* Culverts								
13	401a3ii	Concrete Class A3 (on Ground)	1278.67	411	15350	11,829.63	3,520.37	1.447

Detail of Orangi Nullah			(Rs. in million)					
S. No	Item No.	Discription	1	2	3	4	5	6
			BOQ Quantity	BOQ Executed up to IPC No.18	Rate as per BOQ	Rate as per NHA 2014	Column 3-4 Difference of rate	Column 5x2 Overprice
14	404b	Reinforcement as per AASHTO m. 31 grade 60	1049.44	74	180000	114221.22	65,778.78	4.868
Sewerage works (Manholes, Sewer pipes & Nullah Cleaning)								
15	107a	Structural Excavation in common material	167343	2256	1536	363.58	1,172.42	2.645
16	401f	Lean Concrete	3750	2793	8300	6,307.69	1,992.31	5.565
17	404b	Reinforcement as per AASHTO m. 31 grade 60	5239	4381	180000	114,221.22	65,778.78	288.177
18	501a	R.C.C. Pipe culvert AASHTO M 170 Class II Dia 310 mm	967	894	6622	3,622.00	3,000.00	2.682
19	401a3i	Concrete Class A3 (Under Ground)	6762	16782	16800	10,969.58	5,830.42	97.846
20	401a3ii	Concrete Class A3 (on Ground)	23312	26460	17200	11,829.63	5,370.37	142.10
Construction of Roads of Gujjar Nullah								
21	106a	Excavate unsuitable common material	150000	58556	1536	362	1,174.00	68.745
22	110	Improved sub-garde (cbr>20%)	613317.4	94662	1250	787.39	462.61	43.792
23	201	Granular sub-base	45929.34	1069	2300	1,540.96	759.04	0.811
24	202	Aggregate base	34447.01	1015	2700	1,740.12	959.88	0.974
25	203b	Asphaltic base course plant mix (class b)	17223.5	324	20000	18,441.86	1,558.14	0.505
Total								2.539

Annexure-XVIII**(Para No. 3.4.1)****Unjustified payment and excessive electricity consumption at closed Zoo – Rs. 6.768 million**

Sr. No.	Month	Units Consumed	Bill Amount Accumulative (Rs.)	Amount Paid (Rs)
1.	June 2023	1,514	3,055,439	0
2.	July 2023	9,165	3,514,625	0
3.	August 2023	5,970	3,849,758	0
4.	September 2023	5,019	4,138,020	0
5.	October 2023	5,253	4,441,018	0
6.	November 2023	5,357	4,743,279	0
7.	December 2023	4,823	5,035,230	0
8.	January 2024	5,947	5,396,481	0
9.	February 2024	6,045	5,769,872	0
10.	March 2024	5,436	6,135,043	0
11.	April 2024	4,958	6,449,700	0
12.	May 2024	5,039	6,768,729	3,700,000
Outstanding amount				3,068,729

Annexure-XIX
(Para No. 3.4.5)

Non-formulation of annual procurement plan and procurement in piecemeal - Rs. 9.675 million

CB No.	Work order Date	Description	Head of Expenditure	Name of Vendor	Method of Procurement	Bill Amount (Rs.)
48	21-Aug-2023	Back Drop panaflex etc	A03903 (Conferences/Seminars)	Shigri Builders	Quotation	214,878
50	21-Sep-2023	Paper Bags , Mugs Etc Event	A03903 (Conferences/Seminars)	MM Traders	Quotation	389,400
51	21-Sep-2023	Water Bottle Caps Event	A03903 (Conferences/Seminars)	MM Traders	Quotation	424,800
52	21-Sep-2023	Key Chans with USB Pen Etc Event	A03903 (Conferences/Seminars)	MM Traders	Quotation	251,340
49	10-Oct-2023	Back Drop panaflex etc	A03903 (Conferences/Seminars)	Shigri Builders	Quotation	206,760
79	13-Mar-2024	Back Drop panaflex etc	A03903 (Conferences/Seminars)	Shigri Builders	Quotation	209,450
82	17-Apr-2024	Event repair	A03903 (Conferences/Seminars)	Shigri Builders	Quotation	123,900
83	10-May-2024	Back Drop panaflex etc	A03903 (Conferences/Seminars)	Shigri Builders	Quotation	263,494
85	10-May-2024	Event repair	A03903 (Conferences/Seminars)	Shigri Builders	Quotation	115,286
99	22-May-2024	Back Drop panaflex etc	A03903 (Conferences/Seminars)	Shigri Builders	Quotation	453,592
100	28-May-2024	Back Drop panaflex etc	A03903 (Conferences/Seminars)	Shigri Builders	Quotation	330,046
Total (Rs.)						2,982,946
43	14-Sep-2023	Plants Bill	A03970 (Others)	Shigri Builders	Quotation	272,580
44	14-Sep-2023	Grass and flowers	A03970 (Others)	Shigri Builders	Quotation	24,780
87	14-Sep-2023	Others Store item Tissue dustbin etc	A03970 (Others)	QBH Enterprises	Quotation	95,700
35	20-Sep-2023	Repair of lock/doors	A03970 (Others)	Shigri Builders	Quotation	138,225
36	20-Sep-2023	Repair of Chairs	A03970 (Others)	Shigri Builders	Quotation	95,226
37	20-Sep-2023	Repair of Washroom Kitchen	A03970 (Others)	Shigri Builders	Quotation	75,461
38	20-Sep-2023	Lights and Bulbs	A03970 (Others)	Shigri Builders	Quotation	72,476
39	20-Sep-2023	wire/screw / plug etc of repair	A03970 (Others)	Shigri Builders	Quotation	106,648
40	20-Sep-2023	Color paint of Building	A03970 (Others)	Shigri Builders	Quotation	84,865

CB No.	Work order Date	Description	Head of Expenditure	Name of Vendor	Method of Procurement	Bill Amount (Rs.)
41	20-Sep-2023	Repair of Chairs	A03970 (Others)	Shigri Builders	Quotation	109,551
90	21-Sep-2023	Others Store item	A03970 (Others)	QBH Enterprises	Quotation	214,996
34	09-Oct-2023	Door/window Glass	A03970 (Others)	Shigri Builders	Quotation	128,974
42	09-Oct-2023	A.C Repair	A03970 (Others)	QBH Enterprises	Quotation	60,180
Total (Rs.)						1,479,662
20	15-Aug-2022	Pending Plants Bill	A13801 (Maintenance of Parks & Gardens)	Shigri Builders	Quotation	271,200
33	20-Sep-2023	Plants Bill	A13801 (Maintenance of Parks & Gardens)	Shigri Builders	Quotation	330,298
78	13-Mar-2024	Plants Bill	A13801 (Maintenance of Parks & Gardens)	Shigri Builders	Quotation	349,398
80	17-Apr-2024	Plants Bill	A13801 (Maintenance of Parks & Gardens)	Shigri Builders	Quotation	290,752
81	18-Apr-2024	Plants Bill	A13801 (Maintenance of Parks & Gardens)	Shigri Builders	Quotation	142,426
84	10-May-2024	Plants Bill	A13801 (Maintenance of Parks & Gardens)	New Punjab Nursery	Quotation	231,575
Total (Rs.)						1,615,649
	26-May-2023	Tyre GAH-741	A13001 (Transport)	Golden Tyre	Quotation	302,080
9	27-Sep-2023	GAH-879	A13001 (Transport)	Golden Tyre	Quotation	165,200
22	26-May-2023	Reissuance of cheque GAH-739 Tyre	A13001 (Transport)	Golden Tyre	Quotation	221,840
29	26-Oct-2023	Tyre GAH-747	A13001 (Transport)	Shigri Builders	Quotation	316,240
30	26-Oct-2023	Tyre GZ-737	A13001 (Transport)	Shigri Builders	Quotation	316,240
31	26-Oct-2023	Battery AGS , GL-85	A13001 (Transport)	Shigri Builders	Quotation	99,120
32	26-Oct-2023	Battery AGS , GL-85	A13001 (Transport)	Shigri Builders	Quotation	99,120
70	25-Mar-2024	Tyre GAH 751 GAH 758	A13001 (Transport)	Shigri Builders	Quotation	495,600
71	19-Apr-2024	Tyre GAH 753 GAH 755	A13001 (Transport)	Shigri Builders	Quotation	495,600
72	06-May-2024	Tyre GAH 754 GAH 746	A13001 (Transport)	Shigri Builders	Quotation	495,600
94	09-May-2024	Clutch plate 827Break 747, 755	A13001 (Transport)	Shigri Builders	Quotation	295,590
95	17-May-2024	Back light 738, mirror Gae 863, Bumper GAH 749.	A13001 (Transport)	Shigri Builders		293,820

CB No.	Work order Date	Description	Head of Expenditure	Name of Vendor	Method of Procurement	Bill Amount (Rs.)
Total (Rs.)						3,596,050
Grand Total (Rs.)						9,674,307

Annexure-XX
(Para No. 3.4.6)

Unjustified hiring of daily wagers staff and payment thereof – Rs. 8.448 million

Sr. No	Name	Per month salary (Rs.)	Total Period	Total Amount (Rs.)
1	Jahanzaib	32,000	24-months	768,000
2	Muhammad Asim	32,000	24-months	768,000
3	Gul Zaib Javaid	32,000	24-months	768,000
4	Anila Umair	32,000	24-months	768,000
5	Muhammad Nawaz	32,000	24-months	768,000
6	Muhammad Sodagar	32,000	24-months	768,000
7	Jibran Hussain	32,000	24-months	768,000
8	Mirza Muhammad Khushnood	32,000	24-months	768,000
9	Muhammad Amjad	32,000	24-months	768,000
10	Naeem Ashiq	32,000	24-months	768,000
11	Muhammad Aamir	32,000	24-months	768,000
Total				8,448,000

Annexure-XXI
(Para No. 3.4.7)

**Unjustified appointments in violation of the instructions of Establishment
Division resulting deprivation of the eligible candidates**

Post	Name	Written Marks	Interview Marks	Total	Test 70 %	Interview 30%	Aggregate Results	Remarks
Assistant (BS-15) Regular	Mr. M Kamran Ali	66.	13	79.00	46.20	3.90	50.10	Rejected
	Mr. M Talal Majeed	63.50	13	76.50	44.45	3.90	48.35	Rejected
	Ms. Ayeza	56	27	83.00	39.20	8.10	47.30	Appointed
Computer Programmer (BS-15) Regular	Mr. Zain ul Abideen	53	21	74.00	37.10	6.30	43.40	Rejected
	Mr. Muhammad Ovais Yusaf	50	27	77.00	35.00	8.10	43.10	Appointed
Assistant Inspector (BS-11) Regular	Mrs. Khadija Sabir	51	16	67.00	35.70	4.80	40.50	Rejected
	Mr. Muhammad Usama	45	28	73.00	31.50	8.40	39.90	Appointed
Research Assistant (PPS-6)	Ms. Nazima Shaheen	85	80	165.00	59.50	24.00	83.50	Appointed
	Ms. Sana Yaqoob	86	70	156.00	60.20	21.00	81.20	Rejected
	Mr. Muhammad Dawood	83	75	158.00	58.10	22.50	80.60	Rejected
	Mr. Saboor Bunny	79	80	159.00	55.30	24.00	79.30	Appointed
Field Coordinator (PPS-6)	Ms. Sana Yaqoob	86	70	156.00	60.20	21.00	81.20	Rejected
	Ms. Atiqa Rehman	86	70	156.00	60.20	21.00	81.20	Rejected
	Mr. Maaz Iqbal	72	90	162.00	50.40	27.00	77.40	Appointed
	Mr. Ibrahim Khan	68	90	158.00	47.60	27.00	74.60	Appointed
IT Officer (PPS-6)	Ms. Kainat Mumraiz	86	75	161.00	60.20	22.50	82.70	Appointed
	Mr. Abdullah Israr	79	75	154.00	55.30	22.50	77.80	Rejected

Post	Name	Written Marks	Interview Marks	Total	Test 70 %	Interview 30%	Aggregate Results	Remarks
	Mr. Burhan Ud Din	69	95	164.00	48.30	28.50	76.80	Appointed

Annexure-XXII
(Para No. 3.4.8)

Unmerited appointments of project staff due to test score manipulation and qualification violations – Rs. 2.389 million

Sr. No	Name of appointee and Designation	Audit Findings																								
1.	Mr. Muhammad Rauf Deputy Director Technical (PPS-8).	<p>Two positions of Deputy Director Technical (SPS-8) were advertised and filled. The record revealed following shortcomings:</p> <p>i. The answer sheet shows that Mr. Muhammad Rauf obtained 69/100 marks; however, the audit's calculation showed that he actually scored 57/100 marks in written test.</p> <p>ii. In the merit list, Mr. Rauf's marks were incorrectly recorded as 74 instead of the actual 57. This manipulation resulted in Mr. Rauf being placed in the second position, leading to his appointment and the displacement of the rightful second candidate, Mr. Arslan Asim, to third position, who obtained 75 marks and was unjustly overlooked for the appointment.</p> <p>iii. Based on correct marks, the revised Merit List is as under:</p> <table border="1" data-bbox="473 1137 1194 1476"> <thead> <tr> <th data-bbox="473 1137 529 1228">Sr. No</th> <th data-bbox="529 1137 673 1228">Applicant Name</th> <th data-bbox="673 1137 778 1228">Written test (100)</th> <th data-bbox="778 1137 904 1228">Interview Marks (100)</th> <th data-bbox="904 1137 1086 1228">Total Marks (100+100=200)</th> <th data-bbox="1086 1137 1194 1228">Merit Number</th> </tr> </thead> <tbody> <tr> <td data-bbox="473 1228 529 1324">1.</td> <td data-bbox="529 1228 673 1324">Mr. Usman Khalid Chaudhary</td> <td data-bbox="673 1228 778 1324">85</td> <td data-bbox="778 1228 904 1324">95</td> <td data-bbox="904 1228 1086 1324">180</td> <td data-bbox="1086 1228 1194 1324">First</td> </tr> <tr> <td data-bbox="473 1324 529 1385">2.</td> <td data-bbox="529 1324 673 1385">Mr. Arslan Asim</td> <td data-bbox="673 1324 778 1385">75</td> <td data-bbox="778 1324 904 1385">90</td> <td data-bbox="904 1324 1086 1385">165</td> <td data-bbox="1086 1324 1194 1385">Second</td> </tr> <tr> <td data-bbox="473 1385 529 1476">3.</td> <td data-bbox="529 1385 673 1476">Mr. Muhammad Rauf</td> <td data-bbox="673 1385 778 1476">57</td> <td data-bbox="778 1385 904 1476">95</td> <td data-bbox="904 1385 1086 1476">152</td> <td data-bbox="1086 1385 1194 1476">Third</td> </tr> </tbody> </table>	Sr. No	Applicant Name	Written test (100)	Interview Marks (100)	Total Marks (100+100=200)	Merit Number	1.	Mr. Usman Khalid Chaudhary	85	95	180	First	2.	Mr. Arslan Asim	75	90	165	Second	3.	Mr. Muhammad Rauf	57	95	152	Third
Sr. No	Applicant Name	Written test (100)	Interview Marks (100)	Total Marks (100+100=200)	Merit Number																					
1.	Mr. Usman Khalid Chaudhary	85	95	180	First																					
2.	Mr. Arslan Asim	75	90	165	Second																					
3.	Mr. Muhammad Rauf	57	95	152	Third																					

Sr. No	Name of appointee and Designation	Audit Findings																								
2.	Mrs. Kainat Mumraiz IT Officer (PPS-6)	<p>Two positions of IT Officer (SPS-6) were advertised and filled. The record revealed following shortcomings:</p> <p>i. Mrs. Kainat Mumraiz initially filled out the answer sheet using a pencil. The checker also marked the answers with a pencil. Later, the pencil marks were erased, the answers were corrected, and the sheet was re-marked with ink.</p> <p>ii. The initial calculation resulted in 66 marks, which was later altered by changing the "6" into an "8," making the final score 86.</p> <p>iii. This manipulation resulted in Mrs. Kainat Mumraiz being placed in the second position, leading to her appointment and the displacement of the rightful second candidate, Mr. Abdullah Israr, who had scored 79 marks in the written test but was unjustly moved to the third position and overlooked for the appointment.</p> <p>v. Based on correct marks, the revised Merit List is as under:</p> <table border="1" data-bbox="473 1044 1192 1415"> <thead> <tr> <th data-bbox="473 1044 529 1135">Sr. No.</th> <th data-bbox="529 1044 663 1135">Applicant Name</th> <th data-bbox="663 1044 771 1135">Written test (100)</th> <th data-bbox="771 1044 901 1135">Interview Marks (100)</th> <th data-bbox="901 1044 1083 1135">Total Marks (100+100=200)</th> <th data-bbox="1083 1044 1192 1135">Merit Number</th> </tr> </thead> <tbody> <tr> <td data-bbox="473 1135 529 1226">1.</td> <td data-bbox="529 1135 663 1226">Mr. Burhan ud Din</td> <td data-bbox="663 1135 771 1226">69</td> <td data-bbox="771 1135 901 1226">95</td> <td data-bbox="901 1135 1083 1226">164</td> <td data-bbox="1083 1135 1192 1226">First</td> </tr> <tr> <td data-bbox="473 1226 529 1317">2.</td> <td data-bbox="529 1226 663 1317">Mr. Abdullah Israr</td> <td data-bbox="663 1226 771 1317">79</td> <td data-bbox="771 1226 901 1317">75</td> <td data-bbox="901 1226 1083 1317">154</td> <td data-bbox="1083 1226 1192 1317">Second</td> </tr> <tr> <td data-bbox="473 1317 529 1415">3.</td> <td data-bbox="529 1317 663 1415">Mrs. Kainat Mumraiz</td> <td data-bbox="663 1317 771 1415">66</td> <td data-bbox="771 1317 901 1415">75</td> <td data-bbox="901 1317 1083 1415">141</td> <td data-bbox="1083 1317 1192 1415">Third</td> </tr> </tbody> </table>	Sr. No.	Applicant Name	Written test (100)	Interview Marks (100)	Total Marks (100+100=200)	Merit Number	1.	Mr. Burhan ud Din	69	95	164	First	2.	Mr. Abdullah Israr	79	75	154	Second	3.	Mrs. Kainat Mumraiz	66	75	141	Third
Sr. No.	Applicant Name	Written test (100)	Interview Marks (100)	Total Marks (100+100=200)	Merit Number																					
1.	Mr. Burhan ud Din	69	95	164	First																					
2.	Mr. Abdullah Israr	79	75	154	Second																					
3.	Mrs. Kainat Mumraiz	66	75	141	Third																					
3.	Ms. Nazima Shaheen's	Two positions for Research Assistant (SPS-6) were advertised. A total of 1548 candidates applied for these positions, out of which 33 were shortlisted by Pak-EPA																								

Sr. No	Name of appointee and Designation	Audit Findings
	Research Assistant (SPS-6).	<p>for the written test. The written test was conducted on 31.12.2023. Following the test, 19 candidates were shortlisted for interviews. Based on the interview results, Ms. Nazima Shaheen was appointed as Research Assistant (SPS-6) on 26.02.2024, with a monthly salary of Rs. 105,000. The appointment record revealed following irregularities:</p> <ul style="list-style-type: none"> i. The name of appointee was not included in the list of 33 candidates shortlisted for the written test. ii. According to the DSC committee minutes, 19 candidates were shortlisted for the interview. However, there were multiple lists showing 37 candidates for interview. Furthermore, the name of Ms. Nazima Shaheen's was handwritten at Sr. No. 37 on these lists. iii. As per answer sheet, she obtained 47/100 marks in the written test, whereas, in the merit list, her obtained marks were recorded as 85. This shows manipulation of test results giving undue advantage over other candidates who scored up to 80 marks. iv. According to the TORs provided in PC-I titled 'Bio Safety Clearing House (Pak-BCH) for GMOs Regulations,' and tender notice published on 08.11.2023, the recruitment criteria for the position of Research Assistant (SPS-6) require an MSc or BS in Biological Sciences, Agriculture, Microbiology, or Biochemistry, along with knowledge of working in Government/ Semi-Government or reputable organizations and experience in Biotechnology/Biosafety or agriculture-related fields. The appointee holds a qualification of MPhil in Chemistry, which does not meet the required qualifications as specified in PC-I and the advertisement.

Sr. No	Name of appointee and Designation	Audit Findings
		v. There was a delay of one month and 25 days in issuing the appointment letter after the interview.
4.	Ms. Fariya Baig Inspector/Field Officer (SPS-5)	Pak-EPA, Islamabad appointed Ms. Fariya Baig as an Inspector/Field Officer (SPS-5) with a monthly salary of Rs. 70,000. According to the TORs provided in approved PC-I titled 'Bio Safety Clearing House (Pak-BCH) for GMOs Regulations' and advertisement dated 08.11.2023, the recruitment criteria for the position of Inspector/Field Officer (SPS-5) was a second-class BS degree in Microbiology, Biochemistry, Biological Sciences, or Agriculture. Additionally, candidates were expected to have practical knowledge of Biosafety, Biotechnology, genetic engineering, and understanding of lab techniques. Audit observed that Ms. Fariya Baig holds a BS degree in Earth and Environmental Sciences, which does not meet the specified educational qualifications for the Inspector/Field Officer (SPS-5) position.

Calculation of Salary paid up to June 2024

S. No	Name	Designation	Date of Appointment	Monthly Salary (Rs)	Months Paid (Up to June 2024)	Total Salary Paid (Rs)
1	Mr. Muhammad Rauf	Dy. Director Technical (PPS-8)	31.01.2024	218,750	05	1,093,750
2	Mrs. Kainat Mumraiz	IT Officer (PPS-6)	22.01.2024	105,000	05	525,000
3	Ms. Nazima Shaheen	Research Assistant (SPS-6)	26.02.2024	105,000	04	420,000
4	Ms. Fariya Baig	Inspector/Field Officer (SPS-5)	--	70,000	05	350,000
Total					--	2,388,750

**Annexure-XXIII
(Para No. 3.4.15)**

Non-functioning of the Clean Environment Fund, leading to the failure in achieving environmental protection and sustainable development targets

Sr. No.	Clause (s) of Memorandum	Summary of Stated objectives
1.	III (1)	To establish manage and operate " Clean Environment Fund" for regulating, conservation, protection and sustainable management of environment and other natural resources in the jurisdiction of Federal Government and to provide technical, financial, institutional, managerial assistance etc.
2.	III (2)	To establish manage and operate " Clean Environment Fund" to meet the ongoing costs of management of environmental issues in the jurisdiction of federal government etc.
3.	III (3)	To establish & maintain analytical Geographic Information System (Labs) for monitoring & assessment of environmental indicators etc.
4.	III (4)	To procure arrange, secure, receive and accept aid, grants, loan and endowment and such sums for the promotion of its aims and objects may arise to it from any lawful source etc.
5.	III (7)	To promote research and stimulate innovative ideas, methods, techniques, processes for maintaining, promoting and protecting the environment of sustainable basis.
6.	III (8)	To promote, facilitate and negotiation with environmental NGOs and other local level civil society organizations in support of protecting environment through awareness and advocacy
7.	III (9)	To undertake efforts leading to institutional development and capacity building of different type of organizations
8.	III (10)	To involve private sector, civil society, academia, researchers and relevant individuals for protection and sustainable development of environment
9.	III (14)	To establish, setup, run, operate, manage and carry out the business of television broadcasting in various cities
10.	III (15)	To establish, setup, run, operate, manage and carry out the business of radio broadcasting in various cities
11.	III (5) III (6), III (11), III (12), III (13), III (16), III (17), III (18) and III (19)	Various clauses for the promotion of activities related to conservation and protection of environment in collaboration with different government departments and NGOs

**Annexure-XXIV
(Para No.4.4.1)**

Irregular award of contract without obtaining additional performance security Rs. 11.590 million

Name of vendor	Name of work	Date of signing of contract	NIT Amount	Amount of contract-A	% below the NIT Cost-B	% below the 10% of NIT amount- (C=B-10%)	Amount of additional performance guarantee (D=A*C)
M/s Shawool Associates	Soft Landscaping of Newly Developed Parks at different Sectors (WEST), Islamabad	09.06.22	9,962,919	6,871,425	31.03% below	21.03%	1,445,061
M. Rehman Z & Co	Landscaping / Plantation of Green Belt from Katarian Bridge to Flyover Double Road Ninth Avenue, IJ Principal Road, Islamabad	16.02.23	22,000,000	17,270,000	21.5 % below	11.50%	1,986,050
M/s Abdul Wahab & Enterprises	Tree Plantation including maintenance for two years on both sides of newly constructed Khayaban-e-Margalla from GT Road to Sector D-12, Islamabad	28.02.23	65,000,000	54,528,500	16.11 % below	6.11%	3,331,691
M/s Muhammad Rehman Z & Co.	Soft Landscaping of Newly Constructed Khayaban-e-Margalla from GT Road to Sector D-12, Islamabad	28.02.23	17,000,000	13,770,000	19% below	9%	1,239,300
Total			113,962,919	92,439,925			8,002,102

**Annexure-XXV
(Para No.4.4.1)**

Irregular award of contract without obtaining additional performance security Rs. 11.590 million

(Amount in Rs.)

Name of vendor	Name of work	Date of signing of contract	Date of Completion of Contract	NIT Amount	Amount of contract-A	% below the NIT Cost-B	% below the 10% of NIT amount- (C=B - 10%)	Amount of additional performance guarantee (D=A*C)
M/s Muhammad Imtiaz Abbasi & Co	Landscape / Development of Atta Turk Avenue (6th Avenue) along median strips, green area of National Library, Admin Sector, Urban Division -I	10.10.2022	23.11.2022	9,151,213	6,744,444	26.30 % below	16.3 %	1,099,344.37
M/s Al-Haq Builder & Developers	Soft Landscaping of PWD Interchange	23.12.2022	22.01.2023	29,818,506	23,705,713	20.5 % below	10.5 %	2,489,099.87

Name of vendor	Name of work	Date of signing of contract	Date of Completion of Contract	NIT Amount	Amount of contract-A	% below the NIT Cost-B	% below the 10% of NIT amount- (C=B - 10%)	Amount of additional performance guarantee (D=A *C)
(Pvt) Ltd	Islamabad							
				38,969,719	30,450,157		0.27 %	3,588,444.24

Annexure-XXVI
(Para No.4.4.4)

Non deduction of Capital Sales Tax (CST) Rs.6.439million

Sr. No.	Name of vendor	Name of work	Date of signing of contract	NIT Amount	Amount of contract
1	M/s Shawool Associates	Soft Landscaping of Newly Developed Parks at different Sectors (WEST), Islamabad	09.06.2022	9,962,919	6,871,425
2	M/s Muhammad ImtiazAbba si& Co	Landscaping / Plantation of North / South Green Belt from N-5 to FaqirAppe Road, I.J.Principal Road, Islamabad	03.11.2022	23,000,000	32,197,700
3	M/s Muhammad ImtiazAbba si& Co	Landscaping / Plantation of North / South Green Belt from N-5 to FaqirAppe Road, I.J.Principal Road, Islamabad	09.01.2023	21,000,000	30,439,500
4	M. Rehman Z & Co	Landscaping / Plantation of Green Belt from Katarian Bridge to Flyover Double Road Ninth Avenue, IJ Principal Road, Islamabad	16.02.2023	22,000,000	17,270,000
5	M/s Abdul Wahab& Enterprises	Tree Plantation including maintenance for two years on both sides of newly constructed Khayaban-e-Margalla from GT Road to Sector D-12, Islamabad	28.02.2023	65,000,000	54,528,500
6	M/s Muhammad Rehman Z & Co.	Soft Landscaping of Newly Constructed Khayaban-e-Margalla from GT Road to Sector D-12, Islamabad	28.02.2023	17,000,000	13,770,000
7	M/s Farhan Gillani	Soft Landscaping and beautification of Median Strip and Interchange Loops, Margallah Road from F-11 to D-12, 11th Avenue	13.03.2024	24,831,194	23,805,666
TOTAL				182,794,113	178,882,791

Total Contracts Amount 2022-24 (A)	178,882,791
ICT-ST @ 18%(B= A*18%)	32,198,902
1/5th ICT-ST (C= B*1/5)	6,439,780

**Annexure-XXVII
(Para No.5.4.1)**

**Non obtaining of 30% funding through matching grants from FIPs – Rs.
2,572.956 million**

S. No.	FIP Name	Project Name	GIA No.	Total Project Cost	NDRMF Share	Required FIP Share 30%	Funding Source
1	Aga Khan Planning & Building Service	Promoting Integrated Mountain Safety in Northern Pakistan (PIMSNP-III)	NDRM F-09-23	200,695,682	200,695,682	60,208,705	ADB Grant 0639
2	Emergency Rescue Services (Rescue 1122) Khyber Pakhtunkhwa	Strengthening & Disaster Preparedness of Operational Districts of Emergency Rescue Services (Rescue 1122) Khyber Pakhtunkhwa	GB-013	865,467,000	865,470,000	259,640,100	ADB Grant 0701
3	Emergency Rescue Services (Rescue 1122) Khyber Pakhtunkhwa	Strengthening & Disaster Preparedness of Operational Districts of Emergency Rescue Services (Rescue 1122) Khyber Pakhtunkhwa (Extension -I&II)	NDRM F-01-24	199,768,000	199,768,000	59,930,400	ADB Grant 0701
4	Emergency Rescue Services (Rescue 1122) Khyber Pakhtunkhwa (Phase II)	Strengthening & Disaster Preparedness of Operational Districts of Emergency Rescue Services (Rescue 1122) Khyber Pakhtunkhwa (Phase II)	NDRM F-10-23	336,068,698	336,068,698	100,820,609	ADB Grant 0701
5	Irrigation Department Govt. of Balochistan	Restoration & Rehabilitation of Flood Damaged Water Conservation Structures in Irrigation Division Quetta	NDRM F-03-23	992,679,415	992,679,415	297,803,825	ADB Loan 3474

S. No.	FIP Name	Project Name	GIA No.	Total Project Cost	NDRMF Share	Required FIP Share 30%	Funding Source
6	Irrigation Department Govt. of Balochistan	Restoration & Rehabilitation of Flood Protection Structures, Dams & Weirs District Pashin	NDRM F-04-23	990,726,624	990,726,624	297,217,987	ADB Loan 3474
7	Irrigation Department Govt. of Balochistan	Rehabilitation/strengthening of the Water Conservation Structures, Flood Protection Scheme in District Qilla Abdullah and Naseerabad.	NDRM F-06-23	999,440,000	999,440,000	299,832,000	ADB Loan 3473
8	Islamic Relief Pakistan	Resilient and Adaptive Population in Disaster (RAPID-II)	NDRM F-08-23	308,674,055	308,674,055	92,602,217	ADB Loan 3474
9	Muslim Aid Pakistan	Building Resilience by Strengthening the Community Through inclusive Disaster Risk Management (BRSC-II)	NDRM F-11-23	208,166,127	208,166,127	62,449,838	ADB Loan 3474
10	Irrigation Department Govt. of Sindh	Building Resilience of Damaged Flood Mitigation Structures along River Indus in Sindh Province	GR-01-2023	3,011,460,000	3,011,460,000	903,438,000	ADB Loan 3473
11	Irrigation Department Govt. of Sindh	Building Resilience of Damaged Flood Mitigation Structures along River Indus in Sindh Province-Phase-II (SID)	GR-07-2023	463,375,000	463,375,000	139,012,500	ADB Loan 3473
	Total			8,576,520,601	8,576,523,601	2,572,956,180	

Annexure-XXVIII
(Para No.5.4.3)

Violation of Disbursement Manual resulting in irregular Disbursement of Funds directly to vendors bypassing FIPs – Rs. 7,055.755 million

Sr. No.	FIP Name	Funding Source	GIA No.	Disbursements FY 2023-24 (Rs.)
1	Communication & Works Deptt. Govt. of Azad Jammu & Kashmir.	ADB Loan 3473	GB 008	122,115,740
2	Emergency Rescue Services (Rescue 1122) Khyber Pakhtunkhwa	ADB Grant 0701	GB-013	853,871,365
3	Emergency Rescue Services (Rescue 1122) Khyber Pakhtunkhwa	ADB Grant 0701	NDRMF-01-24	182,696,300
4	Emergency Rescue Services (Rescue 1122) Khyber Pakhtunkhwa (Phase II)	ADB Grant 0701	NDMRF-10-23	333,011,794
5	Irrigation Department Govt. of Balochistan	ADB Loan 3474	NDRMF-03-23	966,352,883
6	Irrigation Department Govt. of Balochistan	ADB Loan 3474	NDRMF-04-23	673,375,529
7	Irrigation Department Govt. of Balochistan	ADB Loan 3473	NDRMF-06-23	742,582,480
8	Irrigation Department Govt. of Sindh	ADB Loan 3473	GR-01-2023	2,725,431,524
9	Irrigation Department Govt. of Sindh	ADB Loan 3473	GR-07-2023	299,392,951
10	Health Department Govt. of Balochistan	AFD 1036	NDMRF-05-23	903,119,678
11	Sind Forest Department	WB Cr. 6246	GR 001	745,500,000
Total				7,055,755,045