



**AUDIT REPORT  
ON  
THE ACCOUNTS OF  
CLIMATE CHANGE, ENVIRONMENT AND DISASTER  
MANAGEMENT ORGANIZATIONS  
PUNJAB  
AUDIT YEAR 2019-20**

**AUDITOR GENERAL OF PAKISTAN**



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## ABBREVIATIONS & ACRONYMS

AGP	Auditor General of Pakistan
AGPR	Accountant General Pakistan Revenues
AG	Accountant General
AIR	Audit and Inspection Report
BOD	Biochemical Oxygen Demand
BoP	Bank of Punjab
CGA	Controller General of Accounts
CC&E	Climate Change & Environment
CDO	Civil Defence Office
CRI	Control Room Incharge
CTWO	Computer Telephone Wireless Operator
DAC	Departmental Accounts Committee
DCO	District Coordination Officer
DDO	Drawing & Disbursing Officer
DDMA	District Disaster Management Authority
DEO	District Emergency Office
EMC	Environmental Monitoring Centre
EPD	Environmental Protection Department
EPAs	Environmental Protection Agencies
DG	Director General
DO	District Officer
DM	Disaster Management
EOT	Extension of Time
EPO	Environmental Protection Order
ESA	Emergency Service Academy
FAM	Financial Audit Manual
FBR	Federal Board of Revenue
FDMA	FATA Disaster Management Authority
FTR	Federal Treasury Rules
FY	Financial Year
GCF	Green Climate Fund
GST	General Sales Tax
HoD	Head of Department
HPPC	High Power Purchase Committee
HQ	Headquarter
HR	Human Resource
ICT	Information and Communication Technology

INTOSAI	International Organization of Supreme Audit Institutions
IPSAS	International Public Sector Accounting Standards
IUCN	International Union for Conservation of Nature
J&C	Jobs and Competitiveness
M/s	Messer's
NBP	National Bank of Pakistan
NDMA	National Disaster Management Authority
PAO	Principal Accounting Officer
PDP	Propose Draft Para
PDMA	Provincial Disaster Management Authority
PEEDA	Punjab employee's efficiency disciplinary and accountability Act
PEPA	Punjab Environmental Protection Act
PEQS	Punjab Environmental Quality Standards
PES	Punjab Emergency Service
PFR	Punjab Financial Rule
PGDP	Punjab Green Development Program
PH	Potential Hydrogen
PNAC	Pakistan National Accreditation Council
POL	Petrol Oil Lubricant
PPRA	Punjab Procurement Regulatory Authority
PST	Punjab Sales Tax
PTS	Patient Transfer Service
Qty.	Quantity
R&M	Repair and Maintenance
SCUBA	Self-Contained Under Water Breathing Apparatus
SIR	Site Inspection Report
SOP	Standard Operating Procedure
S&GAD	Services and General Administration Department
TDS	Total Dissolved Solids
TSS	Total Suspended Solids
UNFCC	United Nations Framework Convention on Climate Change
VOD	Velocity of Detonation
WHT	Withholding Tax

## PREFACE

Articles 169 & 170 (2) of the Constitution of the Islamic Republic of Pakistan read with Sections 8 and 12 of the Auditor General (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.

The report is based on audit of the accounts of Climate Change, Environment and Disaster Management Organizations of the Government of the Punjab for the financial year 2018-19 and accounts of some formations for previous years. The Directorate General Audit (Climate Change & Environment) conducted audit during the Audit Year 2019-20 on test check basis with a view to report significant findings to the relevant stakeholders. Audit Report highlights systemic issues and as a general principle, includes 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 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 through the next year's Audit Report. Sectoral analysis is added in this report covering strategic review and overall perspective of audit results.

Audit findings indicate the need for adherence to the regularity framework besides instituting and strengthening of internal controls to avoid recurrence of similar violations and irregularities.

Most of the observations included in this report have been finalized in the light of discussions in DAC meetings.

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

**-S/d-**

[Javaid Jehangir]  
**Auditor-General of Pakistan**

Dated: 24<sup>th</sup> February, 2020





## EXECUTIVE SUMMARY

The Directorate General Audit (Climate Change & Environment) is mandated to conduct the audit of receipts and utilization of funds by the Ministry of Climate Change, ERRA, Environment and Disaster Management Organizations of the Federal and Provincial Governments. The office conducts regularity audit, financial attest audit, compliance with authority audit and performance audit along with special audit and special studies of Ministry of Climate Change, ERRA, NDMA, Civil Defence, PDMA, FDMA, DDMA, Rescue-1122, Environment Protection Department and Environmental Protection Agencies. The office is presently located at Islamabad. This report covers the audit of Rescue- 1122 Headquarter and its four District offices, five District Civil Defence offices and Environmental Protection Department along with its five District Environmental Protection Agency offices.

The Directorate General Audit (Climate Change & Environment) has a human resource of 29 personnel with 7,221 man-days available. The annual budget of the Directorate General Audit (CC&E) for the financial year 2019-20 is Rs 61.744 million.

As per Audit Plan both expenditure and receipts of these formations were audited on test check basis by selecting 22 formations out of 166 formations during Audit Year 2019-20.

### **a. Scope of audit**

This office is mandated to conduct audit of 166 formations of the Government of the Punjab working under 03 PAOs. Total expenditure of these formations was Rs 5.066 billion for the financial year 2018-19.

The current audit covers the expenditure of 22 formations under 02 PAOs amounting to Rs 1.240 billion for the financial year 2018-19. In terms of percentage, the audit coverage for expenditure is 24 % of auditable expenditure.

This audit report also includes audit observations resulting from the audit of:

1. expenditure of Rs 0.666 billion for the financial year 2017-18 pertaining to 21 formations of 02 PAOs
2. expenditure of Rs 1.342 billion pertaining to previous financial years.

## **b. Audit Methodology**

The Audit Year 2019-20 witnessed intensive application of desk audit techniques, which included examining permanent files, computer generated data and other relevant documents along with the compliance of policies and rules followed by the audit entities. Risk assessment was carried out by performing analytical procedures and reviewing internal controls. Desk audit review helped auditors in understanding the systems, procedures and environment of the audited entity and identification of high-risk areas for substantive testing.

The audit was conducted in accordance with the INTOSAI Auditing Standards as envisaged in Financial Audit Manual (FAM). The overall objective of the audit was to assess compliance with financial rules, adequacy of internal controls along with the achievement of key performance indicators and targets defined in MTBF of the departments along with environment aspects. Review of record, field visit and discussion with management along with analysis and comments on various policies of auditee was also the part of the audit methodology.

## **c. Audit Impact**

The internal control systems of the audit entities are strengthened and the implementation of policies and procedures is improved. The DDO bank accounts maintained by District Emergency offices of Rescue 1122 have now been closed on pointation of audit. All medicines in the store rooms are arranged and labeled properly. The expired medicines in rescue stores are now stored in compliance with the instructions issued by the Health Department. The rescue information management system (RIMS) is installed at Headquarters Stores through which the mechanism of FEFO (First Expire First Out) shall be monitored.

## **d. Comments on Internal Control and Internal Audit Department**

Though the organization's Internal Controls were in place, however, the same needs improvement. Internal audit wing is required to be established.

## **e. Key audit findings of the report**

- i. Recoveries were pointed out in 06 cases amounting to Rs. 47.908 million.

- ii. Mis procurement of Rs. 122.26 million was observed in 12 cases.
- iii. Lack of internal controls and violation of rules was observed in 31 cases involving payment of Rs. 253.624 million.
- iv. Misappropriation of funds was observed in one case involving Rs. 1.656 million.
- v. One case of non-maintenance and non-production of record was observed.
- vi. Non deposit of receipts of Rs. 32.455 million was noticed in 02 cases
- vii. Performance and service delivery issues were observed in 34 cases

**f. Recoveries at the instance of audit**

As a result of audit, a recovery of Rs 47.908 million was pointed out in this report. Recovery effected from January to December 2019 was Rs 1.773 million which was verified by audit.

**g. Recommendations**

PAOs require to take necessary steps to strengthen the financial management systems to achieve the targets as envisaged in Annual Development Plan through improving and implementing internal controls and internal audit wings. Audit recommends that:

- i. Un-authorized payments should be recovered from the responsible.
- ii. Irregular payments should be regularized.
- iii. Internal Controls should be strengthened and internal audit be conducted on a regular basis.
- iv. The PPRA rules requires to be followed in letter and spirit to safeguard public money.
- v. Inquiries proposed in audit paras should be conducted to fix responsibilities against person (s) at fault.
- vi. Reconciliation of expenditure needs to be done regularly with AG and Treasury / banks along with timely surrender of unspent balances.
- vii. Contractual obligations should be observed in letter and spirit.

- viii. In respect of non-accomplishment of ADP targets, a fact-finding inquiry for blockage of public money and poor performance by the management should be conducted. Besides, the current status of the schemes and the Minutes of the meetings convened by HPPC during the FY 2018-19 be shared with audit.
- ix. Policies and SOPs for stocking levels, lead time and complete stock maintenance should be devised.
- x. PES Rescue-1122 HQ should expedite the process of finalization and approval of service structure and service rules.
- xi. In Civil Defence Department, matter regarding paid volunteers should be inquired and looked into at appropriate level to devise a better structure.
- xii. In respect of non-compliance of directions given in site inspection reports and Environmental Protection Orders issued by EPA, responsibility should be fixed against the person(s) at fault for non-pursuance besides active pursuance and disposing off the environmental offence cases. Further, every prescribed action should be initiated within the stipulated timelines.

## SECTORAL ANALYSIS

The sectoral analysis is based on the results of audit of Environmental Protection Department (EPD), Environmental Protection Agencies (EPA) and disaster management organizations of Rescue-1122 and Civil Defence.

### Organizational Management and Governance

After 18<sup>th</sup> Amendment in the Constitution of Islamic Republic of Pakistan, the subject of Environment has been devolved to the provinces. Punjab province has enacted Punjab Environmental Protection Act, 2012 and developed its rules and regulations. The Environmental Protection Agency working under the administrative control of Environmental Protection Department Punjab undertakes the functions as delegated under this Act. In addition, Rescue 1112, Civil Defence and PDMA are disaster management organizations. The Punjab Emergency Service Rescue 1122 is the leading emergency humanitarian service of Pakistan. Civil Defence Department is an attached department of Home department, Government of the Punjab with a mission of providing auxiliary service in War and Peacetime.

The budget and expenditures detail of EPD and its field offices for previous financial years is as under: -

(Rs in millions)

Sr #	Financial Year	Total Allocation	Funds Released	Funds Utilized	Funds Released	Funds Utilized
<b>Non-Development</b>				<b>Development</b>		
1	2014-15	20.458	20.458	20.288	36.449	20.135
2	2015-16	20.414	20.414	20.872	50.013	49.092
3	2016-17	23.516	23.516	22.584	157.80	88.045
4	2017-18	23.404	23.404	25.503	127.842	63.667
5	2018-19	39.888	39.888	38.838	5.45	5.45
<b>Total</b>		<b>148.743</b>	<b>148.743</b>	<b>149.464</b>	<b>425.229</b>	<b>273.139</b>

The budget allocation and expenditure of last five years shows an increasing trend which reveals that the Government is concentrating on climate and environmental issues. However, FY 2018-19 witnessed a serious shortage of funds

with budget allocation of only Rs. 5.45 million. There is a need to revise/increase the budget allocation for development projects in coming years.

### **Annual Development Programs (FY 2017-19)**

During the financial year 2017-18 and 2018-19 the Government approved eleven development schemes through Provincial Annual Development Program for EPD. However, budget was not allocated/obtained for seven schemes which could not be initiated. The status of remaining four schemes is mentioned below.

The scheme “Capacity Building of EPA Punjab for enforcement of environment standards in Punjab including combined effluent treatment plants and industrial estates” was approved in January, 2017 with closing date of June 2019. The funds of Rs 98.842 million were allocated during the FY 2017-18 out of which Rs.63.475 million were utilized and Rs. 35.367 million were got lapsed. The funds of Rs. 226.019 were allocated in FY 2018-19 out of which Rs. 4.182 million were expended and Rs. 221.837 million were surrendered. Weak management resulted in non-utilization of Government financial resources tied up for EPA, besides failing in timely completion of the scheme.<sup>1</sup>

As per ADP scheme titled “Development of Biodiversity Parks in collaboration with City District Governments, District Governments and Business Communities”, five parks were to be constructed in total out of which one was dropped in the beginning, three parks were constructed and one park in Murree is still incomplete which was required to be completed on 31.03.2015.<sup>2</sup>

The PC-II for scheme titled “Rationalization, revision and development of EQS and industry specific standards” was approved in February, 2017 with closing date of June, 2018 with an estimated cost of Rs. 29.793 million. An amount of Rs. 7.5 million was allocated during the FY 2017-18 but no amount was expended resulted in surrender of funds. The TORs of the study were to develop 59 industrial specific standards, rationalize, update and revise existing standards of PEQS and

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<sup>1</sup> Para No. 3.4.9

<sup>2</sup> Para No. 3.4.10

develop new ones in seven areas. The industry specific standards could not be developed even after lapse of 2 and 1/2 years and the scheme is still incomplete.<sup>3</sup>

The scheme titled “Construction of model vertical shaft brick kiln (VSBK) in collaboration with Punjab Brick Kiln Association (PPP Mode)” was approved during the FY 2017-18. An amount of Rs. 5 million was allocated during the year out of which 0.156 million was expended which resulted in surrender of Rs. 4.844 million.

### **Policy related issues**

The Green Climate Fund (GCF) was established within the framework of the UNFCCC to assist developing countries in adaption and mitigation practices to counter climate changes. The objective of the Green Climate Fund is to support projects, programs, policies and other activities in developing countries/ parties. However, EPD/EPA Punjab has not yet been accredited with the GCF.<sup>4</sup>

The Provincial Sustainable Development Fund which was required under PEPA 2012 has not yet been established<sup>5</sup>. Further EPA does not have any framed Environmental policy. Annual Punjab Environment Report was also not being prepared and published in compliance of PEPA Act.<sup>6</sup>

### **Implementation related issues**

The Punjab Environmental Tribunal did not dispose of the complaints / appeals on timely basis as stipulated in the rules. Data base of industrial units by classifying them on the basis of pollution level into category “A”, “B” or “C” for liquid effluents, and category “A” or “B” for gaseous emissions and separate registers for initial environmental examination(IEE) and environmental impact assessment (EIA) of the projects were not maintained as required under the Act and rules.<sup>7</sup>

EPA did not take proper and timely measures against the industrial units who were operating without NOCs and failed to submit the IEEs or EIAs<sup>8</sup>. Further EPA

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<sup>3</sup> Para No. 3.4.11

<sup>4</sup> Para No. 3.4.40

<sup>5</sup> Para No. 3.4.41

<sup>6</sup> Para No. 3.4.42 & 3.4.44

<sup>7</sup> Para No 3.4.16 & 3.4.17

<sup>8</sup> Para No. 3.4.19

also did not take timely measures and actions prescribed in the Act and rules against the industrial units who are violating Section 11 regarding discharge or emit of any effluent or waste or air pollutant or noise in an amount, concentration or level which is in excess of the Environmental Quality Standards.<sup>9</sup>

With regard to PES Rescue 1122, Government of the Punjab approved different schemes under annual development plan (ADP 2015-16) for establishment /expansion of Punjab Emergency service (Rescue 1122). The funds to the tune of Rs. 865.787 million were allocated in F.Y 2017-18 for completion of these schemes. Despite having sufficient budget allocation, the department failed to complete the schemes within their scheduled timeframe, hence, surrendered an amount of Rs. 793.707 million.<sup>10</sup>

In Civil Defence Department, about 50 to 70% of the budget in each District was being spent for payment of stipend/contingent pay to paid volunteers and payment was made in cash by DDO. The appointments were made without any recruitment criteria and their TORs were also not framed. Monthly deployment record was also not being maintained properly. The working strength of the volunteers was increased rapidly in previous years. Spending of huge budget on cash payments to volunteers whose TORs/functions are not prescribed and also not appointed through regular recruitment process is against financial canons<sup>11</sup>. Further, Civil Defence Department was not fully prepared to perform its functions during different types of emergencies. Shortcoming which depicted the non-preparedness are highlighted in the Report<sup>12</sup>. Likewise, after the establishment of DM organizations i.e. Rescue 1122 and PDMA, the role of Civil Defence has been curtailed to bomb disposal, checking of fire safety equipment in industrial/commercial concerns and public awareness and trainings. Department needs to be re-structured or merged with similar organizations so as to utilize its resources in efficient and effective wa

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<sup>9</sup> Para No 3.4.14, 15,20,21 & 3.4.29

<sup>10</sup> Para No. 1.4.16

<sup>11</sup> Para No. 2.4.1

<sup>12</sup> Para No. 2.4.12





## **Chapter-1**

### ***Punjab Emergency Service (Rescue-1122)***

#### **1.1 Introduction of the Department**

(A) The Punjab Emergency Service (Rescue 1122) was established under the Punjab Emergency Service Act, 2006 for professional management of emergencies such as road traffic accident, building collapse, hazardous material incident, fires and disasters. The mission of the department is “Development of Safer Communities through establishment of an effective system for Emergency Preparedness, Response and Prevention” and the objective is “Establishment of an emergency service for the purpose of maintaining a state of preparedness to deal with emergencies. To provide timely response, rescue and emergency medical treatment to the persons affected by emergencies and recommending measures to be taken by related organization to avoid emergencies.”

#### **(B) Comments on Budget & Accounts (Variance Analysis)**

**(Rs in million)**

<b>F.Y.</b>	<b>Budget</b>	<b>Expenditure</b>	<b>Unspent Balance</b>	<b>%</b>
2018-19	6,712.202	6,590.962	121.24	1.8

#### **Audit Profile of Punjab Emergency Service (Rescue-1122)**

<b>Sr. No</b>	<b>Description</b>	<b>Total Nos</b>	<b>Audited</b>	<b>Expenditure Audited FY 2018-19 (Rs in million)</b>
1	Formations	53	5	928.661
2	Assignment Accounts (excluding FAP)	---	---	
3	Authorities/Autonomous Bodies/companies etc. under the PAO	---	---	
4	Foreign Aided Projects (FAP)	---	---	

## 1.2 Classified Summary of Audit Observations

Audit observations amounting to Rs. 238.473 million were raised as a result of this audit. This amount also includes recoverable of Rs. 15.619 million. Summary of the audit observations classified by nature is as under:

(Rs in millions)

<b>Sr. No</b>	<b>Classification</b>	<b>Amount</b>
1	Reported cases of fraud, embezzlement and misappropriation	1.656
2	Irregularities	<b>184.117</b>
A	HR/Employees related irregularities	75.848
B	Procurement related irregularities	107.459
C	Management of Accounts with Commercial Banks	0.810
3	Value for money, internal control and service delivery issues	52.700

## 1.3 Brief Comments on the Status of Compliance with PAC Directives

Since this Directorate General conducted audit of Disaster Management organizations of Punjab during the Audit Year 2016-17, therefore, the Audit Reports have not yet been discussed in the PAC.

## **1.4 AUDIT PARAS**

### **Embezzlement & Misappropriation**

#### **1.4.1 Embezzlement of public funds under the Head “POL” - Rs. 1.656 million**

Rule 2.33 states that every Government servant should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part, and that he will also be held personally responsible for any loss, arising from fraud or negligence on the part of any other Government servant to the extent to which it may be shown that he contributed to the loss by his own action or negligence.

In the office of DEO Pakpattan audit observed a financial embezzlement of Rs 1.656 million under the head “POL” during the period of March, 2016 to July 2017. The concerned staff filled the fuel in emergency vehicles through fleet card of PSO and same amount was also claimed through another bill/voucher, which resulted in twice payment for single transaction.

Audit noticed that DEO vide its letter No.248/17(DEO/PK) dated 23-09-2017 reported the matter to Rescue Headquarter with the request to conduct financial audit. The Rescue Headquarter in response constituted a fact-finding committee headed by Deputy Director (HQ) vide its office order dated 23-12-2017. Inquiry committee conducted the inquiry and submitted report vide letter No. 4-18/(DD-HQs) dated 11-01-2018. As per Inquiry Committee report, while signing the POL bill for the month of August, 2017, the DEO observed that payment made to the Petrol Pump is more than the actual fuel consumed. The DEO further probe into the matter and came to know that an amount of Rs. 456,903 was paid during the period of March, 16 to July, 17 through fleet card system and the same amount was also paid to Jahanzaib Filling Station manually through cash bills/ vouchers, however, fleet cards transactions were not recorded in the goshwaras and log books. The owner of Fareedia Filling Station admitted that the rescue official was taking money by swapping PSO cards. The Driver incharge was involved in all financial misappropriations. Total embezzlement/ bogus billing by using fleet card and parchi system during the period i.e. March, 16 to July, 17 was Rs 1,656,653.

The committee recommended that there was clear evidence of embezzlement and involvement of DDO, TMI and Accountant along with DI could not be ruled out. Therefore, a detailed financial audit may be conducted to fix the responsibility, recovery of excess amount and appropriate disciplinary action under the law besides black listing the Fareedia petrol pump.

Later on, Head Office vide its letter dated 06-04-2018 suspended the services of DEO with immediate effect as another serious inquiry pertaining to Dist. Pakpattan is under process. Afterward, Head Office vide its letter dated 06-08-2018 issued show cause notices to the Driver, Transport Maintenance Inspector and Accountant and imposed minor Penalty of withholding annual increments of 05 years on the Accountant and TMI and major penalty of removal from service on the Driver Incharge. It was also mentioned in the show cause notice that consequent upon the report of fact-finding committee, a regular inquiry committee was constituted vide letter dated 28-02-2018 to proceed in terms of Punjab Employees Efficiency Discipline and Accountability (PEEDA) Act, 2006 which submitted its inquiry report vide letter dated 09-07-2018. However, this report was not produced to audit.

Audit noticed that in the meantime Dr. Tahir DEO and TMI lodged a petition in the Lahore High Court, Lahore. The petitioners stated that the constitution of the Inquiry Committee was not as per requirement of the PEEDA Act 2006. The Court in its judgment dated 29-05-2019 disposed of the petition with the direction that the petitioners in the said matters would be at the liberty to raise objection against constitution of the inquiry committee before the competent authority and if the same is found genuine the competent authority would take the requisite remedial measures.

The DEO submitted an application to the Director General and DD (HR) on 20-07-2019 regarding constitution of the inquiry committee head by a BPS-19 officer (one step above the rank of accused) as per the requirement of the PEEDA. Later on, DG PES-1122 vide its letter dated 30-07-2019 removed Mr. Asif Hussain Driver from his service.

Audit holds that the matter is still un-resolved even after the lapse of about two years and the embezzled public money has not been recovered.

Audit observation was issued on 18-09-2019. The management replied that matter regarding inquiry under PEEDA Act and working out the complete amount of embezzlement pertains to Headquarter.

The DAC in its meeting held on 16<sup>th</sup> and 17<sup>th</sup> January, 2020 directed to inquire the matter under PEEDA Act, with a view to fix responsibility in sixty days. Besides recovery may be effected from the concerned without further delay.

Audit recommends that responsibility may be fixed besides recovery.

(PDP#504 - DEO Pakpattan FY 2018-19)

### **Irregularities- HR/Internal Control**

#### **1.4.2 Non-surrender of unspent balances resulting into lapse of funds - Rs. 9.903 million**

Para 14.3 of Punjab Budget Manual provides that all savings or unspent funds shall be surrendered / reported to Govt. through statement of excesses and surrenders, so that balances may be transferred / distributed to other needy departments of the Government to avoid the lapse of appropriations.

Audit observed that in District Emergency Offices of District Toba Tek Singh, Mandi Bahauddin and Pakpattan the funds placed at the disposal of DDO during the financial years 2010-11 to 2018-19 were not utilized fully and efficiently and the unspent balances were not reported to Government for the purpose of surrender before the close of each fiscal year under audit. Resultantly, a huge amount under different heads of accounts was lapsed. The detail is as under:

<b>Sr. No</b>	<b>Name of Office</b>	<b>Period</b>	<b>Amount</b>
1	DEO Toba Tek Singh	2011-12 to 2018-19	2,103,777
2	DEO Mandi Bahauddin	2010-11 to 2018-19	3,706,860
3	DEO Pakpattan	2010-11 to 2018-19	4,092,125
<b>Total</b>			<b>9,902,762</b>

Audit is of the view that the non-surrender of saving and lapse of released budget allocation amounting to Rs 9.903 million is a serious negligence and poor financial discipline maintained by the management.

Audit observations were issued in the month of August and September, 2019. The management replied that the lapsed amount indicated from 2011-12 to 2018-19 was surrendered under each fiscal year during 2<sup>nd</sup> statement of excess and surrender.

Reply is not satisfactory as the excess amount was required to be surrendered in the months of May and June of respective financial years.

The DAC in its meeting held on 16<sup>th</sup> and 17<sup>th</sup> January, 2020 decided that Para stands till finalization of appropriation accounts and its approval by PAC.

Audit recommends that responsibility may be fixed for not surrender of funds in time and take disciplinary action against the person (s) at fault under intimation to audit.

(PDP#379, 466, 505 - DEO TTS, M.B. Din & Pakpattan FY 2018-19)

### **1.4.3 Irregular issuance of cheques in the name of DDO instead of vendors - Rs. 47.669 million**

Para 4.3.1.1 of Accounting Policies and Procedures Manual provides that all expenditures apart from inter-government transfers, certain salaries & pension payments, GP Fund payments and those met from imprest account will be paid through cheque.

District Emergency Offices Rescue 1122 Toba Tek Singh, Mandi Bahauddin and Pakpattan made payments of Rs 47.669 million to various suppliers and employees. The detail is attached at **Annex-II**.

Audit observed the following irregularities:

- The payment was made in cash by obtaining cheques from District Accounts Office in the name of respective DDO instead of cross banking instrument in the name of concerned supplier or employee.
- No acquaintance roll was maintained to ensure that payments/cash have been delivered to concerned parties.

Audit holds that making payments to vendors and employees in cash by DDO through obtaining cheque in the name of DDO from AG office is against the rules. This depicts weakness of internal control in respect of cash outflow of the

organization. This may lead to many risks i.e. risk of theft, wrong payments, paying less and recording more, payment to unauthorized persons, misappropriation and teeming and lading by an employee of the department.

Audit observations were issued in the month of August and September, 2019. The management replied that these payments were made to vendors in previous nine years at various timings and not made a single lump sum payment. However, as per directions of audit all future payments to vendor will be made through issuance of cross cheques by the District Accounts Office.

Reply is not satisfactory as no cogent reason for cash payments was submitted.

The DAC in its meeting held on 16<sup>th</sup> and 17<sup>th</sup> January, 2020 directed to refer the matter to F. D Punjab for regularization besides administrative department to take up the matter with AG Punjab as to how the payments to suppliers/vendors and employees were made through DDO instead of cross cheques.

Audit recommends that responsibility for making cash payments through issuance of cheques in the name of DDO instead of relevant vendors may be fixed besides stoppage of the practice henceforth.

(PDP#380,459,494 - DEO TTS, M.B. Din & DEO Pakpattan -FY 2018-19)

#### **1.4.4 Loss due to non-forfeiture of surety bonds - Rs. 7.050 million**

Clause 3 of Letter of Appointment of contract employees provides that this appointment letter is subject to submission of surety bond of Rs. 200, 000. In case of resignation during the tenure of this contract, the surety bond shall stand forfeited in favor of the Punjab Emergency Service and the appointee/employee shall be bound to deposit/pay the whole of the amount of surety bond to the Punjab Emergency Service otherwise our insurance proceeds shall be forfeited”.

Audit observed that various staff positions in the Punjab Emergency Service Rescue 1122 District Toba Tek Sing, Mandi Bahauddin, Pakpattan and Sialkot were filled through appointment on contract basis for an initial period of five years. Audit noticed that some contract employees left the job without assigning any reason and without any resignation however, surety bonds as required were not forfeited by the Service.



Audit holds that department was required to forfeit the surety bond when employee left the service as required under the rules. Non-forfeiture of surety bonds resulted into loss of Rs 7.050 million as per detail attached at **Annex-III**.

Audit observations were issued in the month of August and September, 2019. The management replied that all recruitment/termination process was carried out at Head Office level. The surety bonds of staff were collected by HR Wing of headquarters at the time of recruitment.

Reply is not satisfactory as the issue regarding recovery of surety bonds is not yet resolved.

The DAC in its meeting held on 16<sup>th</sup> and 17<sup>th</sup> January, 2020 directed to take up the matter with PES HQ for recovery.

Audit recommends that the amount of surety bonds may be recovered from the concerns and deposited into Government Treasury.

(PDP#381,463, 498 - DEO TTS, M.B. Din & Pakpattan FY 2018-19)

#### **1.4.5 Unauthorized appointment due to degree from non-accredited institution**

According to Section 13 (xi) of PES Act 2006, the Selection Committees shall ensure that the certificates/degrees of candidates are genuine and have been obtained from recognized institutions. Further, Section 2 (5) regarding clarification of recruitment process of PES provides that the offer of appointment shall be subject to the certification of the antecedes/ police verifications and attested educational documents of the candidate attached with application form.

Audit observed that Mr. Naeem Murtaza was working as Wireless Technician in the PES. He applied for the higher post and was appointed as Emergency Officer (BS-17) on 15.08.2006 on the basis of M.Sc. Computer Sciences. Later on, the M.Sc. degree of the officer was sent to HEC for verification. The degree was returned unverified as the Cybernetics College, Lahore is not an accredited degree awarding institution of Pakistan, however, no action was taken so far and official is still working on the seat.

Audit holds that appoint without degree from HEC recognized university stands irregular. Further the screening/recruitment process of the Service is not transparent, fair and efficient.

Audit observation was issued on 10.10.2019. The management replied that Mr. Naeem Murtaza was selected as Emergency Officer (BS-17) on 01.09.2006 by the Selection/ Recruitment Committee on the basis of M.Sc. degree (Computer Science). His credentials were sent to the concerned college i.e. Cybernetics College, Lahore for verification but the college was windup and no reply was received from college. So, keeping in view his performance and statement that at that time HEC accredited institutions were usually not available in case of M.Sc.

The reply is not cogent as the appointment and confirmation was made without having verified degree from HEC.

The DAC in its meeting held on 16<sup>th</sup> and 17<sup>th</sup> January, 2020 directed that degree may be got verified from HEC in one month's time, failing which the action may be taken under intimation to audit.

Audit recommends that matter may be inquired and action be taken against the person (s) held responsible.

(PDP#642 - Rescue HQ FY 2018-19)

#### **1.4.6 Irregular expenditure without obtaining sanction from HoD - Rs. 3.913 million**

Rule 13.3 of PFR Vol-I provides the powers of the several authorities in the matter of incurring and sanctioning expenditure in respect of local funds administrated by Government:" As regards funds constituted by statute, powers of incurring and sanctioning expenditure will be regulated solely by the provisions of the statute. If the statute is silent on this point, the Government as the final administrative authority will have full powers of incurring and sanctioning expenditure and of delegating such powers. As regards other funds, the authority which constituted the fund will have full powers of incurring and sanctioning expenditure and of delegating such powers.

Rule 18.2 further provides that the extent to which powers to sanction expenditure have been delegated to the Administrative Departments, Heads of

Departments and other subordinate authorities and given in "Delegation of Powers" under Financial Rules and Powers of Re-appropriation Rules, 1962.

According to Section 4 (1) of Punjab Emergency Service Financial Rules, 2007, the Director General shall exercise financial powers as that of an officer in category 1 in accordance with the provisions of the Punjab Delegation of Financial Power Rules, and shall administer the affairs of the Service in terms of section 9 (5) of the Act. The Director General shall be the principal accounting officer of the Service.

It was observed that an expenditure of Rs. 3.913 million expenditure was incurred which was sanctioned by Category-IV officer instead of DG Rescue 1122 during FY 2018-19. The detail is at **Annex-IV**.

Audit is of the view that the sanction of expenditure by officer other than DG Rescue 1122 is irregular in the absence of delegation of powers.

The matter was pointed out on 10.10.2019. The management replied that administrative approval of the proposed expenditure and its further sanction to drawl from the Treasury is accorded as per Punjab Delegation of Financial Power Rules-2016 by the competent authority according to their powers fall under the category of officers in First Schedule and Second Schedule of the Financial Powers Rule, 2016.

The reply is not cogent, as the officer incharge in respective category as provided in first schedule of Punjab Financial Rules Vol I is authorized to sanction the expenditure.

The DAC in its meeting held on 16<sup>th</sup> and 17<sup>th</sup> January, 2020 decided to refer the matter to Finance Department Punjab for clarification.

Audit recommends that the matter may be inquired and responsibility may be fixed on the person(s) responsible besides regularizing the expenditure from Finance department under intimation to audit.

(PDP#638 - Rescue HQ-FY 2018-19)

#### **1.4.7 Non-recovery on account of inadmissible payment of computer allowance - Rs. 1.001 million**

Finance Department Government of the Punjab letter No. FD (SR-1)28-1/2003 dated.27-12-2004 provides that computer allowance is admissible to Key Punch Operators, Key Punch verifying Operators and Data Entry Operators. Finance Department Punjab further clarified in its letter No. SO (B&E-II)5-1/2010/Misc. dated 31-03-2011 that computer allowance is admissible to the posts enumerated in letter dated 27-12-2004.

Audit observed that 16 employees in District Emergency Office Toba Tek Sing and 32 employees in DEO Pakpattan having designation of computer /telephone/wireless operator were receiving computer allowance from their date of joining. Later on, upon clarification of Finance Department, the District Account Office stopped the computer allowance of these employees as it is admissible only to the staff having the designation mentioned in the Finance Department letter. At the time of stoppage, an amount of Rs.353,250 and Rs 370,100 had already been paid to the employees of District Toba Tek Sing and Pakpattan respectively which were not recovered.

Similarly, in DEO Mandi Bahauddin 21 employees having designation of computer /telephone/wireless operator were receiving computer allowance from their date of joining in the Punjab Emergency Service. Later on, upon clarification of Finance Department, the District Account Office stopped the computer allowance of these employees. Audit noticed that an amount of Rs. 947,299 had already been paid to the employees out of which an amount of Rs. 669,990 was recovered leaving a balance of Rs. 277,309 which is still recoverable.

Audit holds that payment of computer allowance even after clear instruction from the Finance Department is un authorized. Further, inadmissible payment of Rs. 1.001 million (Rs. Rs.353,250 + Rs 370,100 + Rs. 277,309) requires recovery.

Audit observations were issued in the month of August and September, 2019. DEO Toba Tek Singh replied that an application of all computer operators regarding restoration of computer allowance with reference to finance department letter is in the office of District Accounts Office. DEO Mandi Bahauddin replied that a change form

of all the concerned employees has been forwarded to District Account Office Mandi Bahauddin to recover the remaining amount of computer allowance. No reply was furnished by DEO Pakpattan.

Reply is not satisfactory as computer allowance is not admissible in light of Finance Department instructions.

The DAC in its meeting held on 16<sup>th</sup> and 17<sup>th</sup> January, 2020 directed to recover the amount from concerned without further delay. Besides, the PES HQ may identify such cases in all DEOs across Punjab and the recovery may be initiated from the concerned.

Audit recommends that DAC decision may be implemented in letter and spirit besides fixing the responsibility against the responsible for authorization of the payment.

(PDP#385,464, 499 - DEO TTS, M.B. Din & Pakpattan FY 2018-19)

### **Irregularities- Procurement**

#### **1.4.8 Irregular expenditure on account of repair of transport without prequalification of firms - Rs. 41.051 million.**

Rule 12 of PPR further provides that the procuring agency shall advertise procurement of more than one hundred thousand rupees and up to the limit of two million rupees on the website of the Authority in the manner and format specified by regulations but if deemed in public interest, the procuring agency may also advertise the procurement in at least one national daily newspaper. However, any procurement exceeding two million rupees shall be advertised on the website of the Authority, the website of the procuring agency, if any, and in at least two national daily newspapers of wide circulation, one in English and one in Urdu.

Rule 17 of Punjab Emergency Service Financial Rules 2007 provides that the Service shall advertise, pre-qualify and shortlist a workshop for emergency repair of a category of equipment or vehicles in a District for ensuring timely repair and availability of an emergency vehicle and equipment for quick management of an emergency. The R&M committee comprising the head of repair and maintenance wing, District Emergency Officer, Emergency Officer and transport maintenance

inspector shall select the workshop. Rule 17(5) further provides that the District emergency officer shall verify the repair needs and the cost of the repair and get the repair done from the selected workshop as per the approved service rate contract.

Audit noticed that DEO Toba Tek Sing, Mandi Bahauddin and Pakpattan incurred expenditure of Rs. 41.051 million on account of repair of transport during the financial year 2010-11 to 2017-18 as detailed below:

<b>S. No</b>	<b>Name of office</b>	<b>Financial Year</b>	<b>Amount</b>
1	DEO Toba Tek Singh	2010-11 to 2017-18	16,261,186
2	DEO Mandi Bahauddin	2010-11 to 2017-18	10,738,402
3	DEO Pakpattan	2010-11 to 2017-18	14,051,202
<b>Total</b>			<b>41,050,790</b>

Audit observed that:

- Contrary to the above rules, tendering process for prequalification of the workshop was not done and no workshops were pre-qualified for repair work.
- Repair of transport work was done through local vendors without prequalification. Repair work/procurement was also splitted to avoid quotations and tendering process.
- Audit further noticed that in DEO Mandi Bahauddin, complete amount of GST was deducted in the bills instead of one fifth (20%) of the GST and net amount was shown as paid to the vendors in cash which render the payment doubtful.
- All the payments on account of repair of transport work were also made in cash by the DDO instead of issuance of cross cheque in the name of vendors. No sales tax invoice was issued by the vendors and only simple bill were available in the record.

Audit holds that incurrence of expenditure in contravention of Punjab Procurement Rules and Emergency Service Financial Rules resulted in mis-procurement.

Audit observations were issued in the month of August and September, 2019. The management replied that budget is being received from Government not on

yearly basis but on quarterly basis and repair work was done from the prequalified firms/vendors according to the needs of the service and for ensuring availability of Emergency Vehicles. The process of prequalification of firm/Vendor was adopted at head office level.

Reply is not satisfactory as prequalification was carried out in March, 2018 which is not applicable on preceding period i.e. 2010 to 2018.

The DAC in its meeting held on 16<sup>th</sup> and 17<sup>th</sup> January, 2020 directed to refer the matter to Finance Department Punjab for regularization.

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

(PDP#382,460, 495 - DEO TTS, M.B. Din & Pakpattan FY 2018-19)

#### **1.4.9 Irregular expenditure on account of printing and publication - Rs. 31.867 million**

According to rule 12(2) of Punjab Procurement Rule 2014, any procurement exceeding two million rupees shall be advertised on the website of the Authority, the website of the procuring agency, if any, and in at least two national daily newspapers of wide circulation, one in English and one in Urdu.

Audit noticed that the PES incurred an expenditure of Rs. 31.867 on account of printing and publication during Financial Year 2018-19. The department requested to Government Printing Press, Lahore for printing work. The Press excused from undertaking the job due to urgent jobs of various Government Department and also due to non-availability of scanning system and classified printing facility. Audit observed that the Printing Press Department instead of giving Non-Objection Certificate (NOC), recommended M/s Al-Fateh Enterprises, Lahore and Zander Printers, Lahore along with rates. The PES accordingly issued work orders to these suppliers and an amount of Rs. 31,867 million was paid to these suppliers as detailed below:

<b>Sr. No</b>	<b>Printer</b>	<b>Cheque No.</b>	<b>Date</b>	<b>Amount</b>
1.	Al-Fateh Printers	3459185	24.06.2019	29,930,771
2.	Zander Printers	3459184	24.06.2019	1,936,410
<b>Total</b>				<b>31,867,181</b>

Audit holds that upon refusal of Government printing press, the department was required to proceed for printing work as per Punjab Procurement Rules instead of issuing work order to the suppliers recommended by Printing Press. The printing and publication work in violation of rules stands irregular.

Audit observation was issued on 10.10.2019. The management replied that the request for printing of different material / items was forwarded to Government Printing Press in accordance with the directions of Home Department issued vide letter No. E&A (HD) 14-1/2015 (P) dated 10<sup>th</sup> February, 2017. The Government Printing Press advised that the required printing may be got done at the approved rates from the following already registered / selected firms with the Government printing press in accordance with the PPR, 2014 i.e. M/S Al-Fateh Printers and M/S Zander Printers. Accordingly, the work orders for printing of required items were awarded in favor of the aforesaid firms which have already been selected by the Government Printing Press after due process.

The reply is not cogent as the engagement of private firm without due diligence is not covered under the rules and tantamount to undue favor and creation of monopoly.

The DAC in its meeting held on 16<sup>th</sup> and 17<sup>th</sup> January, 2020 directed to refer the matter to Finance Department Punjab for regularization.

Audit recommends that the responsibility may be fixed on the person(s) for non-observing the codal and procedural obligations besides the regularization of the expenditure from the competent forum under intimation to Audit.

(PDP#627 - Rescue HQ FY 2018-19)

#### **1.4.10 Irregular expenditure on repair of transport work from general order suppliers - Rs. 15.055 million**

Rule 17 of Punjab Emergency Service Financial Rules 2007 provides that the Service shall advertise, pre-qualify and shortlist a workshop for emergency repair of a category of equipment or vehicle in a district for ensuring timely repair and availability of an emergency vehicle and equipment in a District for ensuring timely repair and availability of an emergency vehicle and equipment for quick management of an emergency. The R&M committee comprising the head of repair and



maintenance wing, District Emergency Officer, Emergency Officer and transport maintenance inspector shall select the workshop. Rule 17(5) further provides that the District emergency officer shall verify the repair needs and the cost of the repair and get the repair done from the selected workshop as per the approved service rate contract.

Deputy Director (R&M) Rescue 1122 Headquarter Lahore vide its letters bearing no.450-86/2018(R&M), no.450-70/2018(R&M) and no. 450-34/2018(R&M) dated 28-03-2018 intimated to all District Emergency Officers that M/S Malik Enterprises Toba Tek Singh, M/S United Enterprises Kutchery road Mandi Bahauddin and M/S Kanwar Brothers Pakpattan had been prequalified for repair of transport and equipment work for DEO Toba Tek Singh, Mandi Bahauddin and Pakpattan respectively. DEO Toba Tek Singh, Mandi Bahauddin and Pakpattan incurred an amount of Rs. 15.055 million during the FY 2018-19 on account of repair of vehicles as detailed below:

<b>Sr. No</b>	<b>Workshop Name</b>	<b>Payment detail Vendor/DDO</b>	<b>Amount</b>
<b>Toba Tek Singh</b>			
1	M/S Malik Enterprises	DDO	3,339,000
<b>Mandi Bahauddin</b>			
1	M/S United Enterprises	DDO	618,400
2	M/S Murtaza Autos Mandi Bahauddin	DDO	5,064,474
3	Pakistan Ruber and Tyre Company	DDO	670,000
<b>Total</b>			<b>6,352,874</b>
<b>DEO Pakpattan</b>			
1	M/S Kanwar Brothers	DDO/Vendor	4,631,395
2	Pakistan Ruber and Tyre Company	Vendor	732,000
<b>Total</b>			<b>5,363,395</b>
<b>Grand Total</b>			<b>15,055,269</b>

Audit observed the following irregularities:

- Complete prequalification process record was not available/ provided to audit. In the absence of relevant record prequalification process and expenditure incurred on repair of transport from these vendors stands irregular. Further,

Selection of the firm was also made without any recommendation/approval of R&M Committee as required under Emergency Financial rules.

- The prequalified vendors were General order suppliers/traders, hence, their selection as workshop for repair of vehicles was irregular and could not be authenticated.
- Repair work/procurement was splitted to avoid quotations and tendering process.
- Murtaza Autos and Pakistan Ruber and Tyre Company were not prequalified vendors.
- All the payments were made in cash by the DDO instead of issuance of cross cheque in the name of vendors.
- In District Mandi Bahauddin complete amount of GST was deducted in the bill instead of one fifth (20%) of the GST and net amount was shown as paid to the vendors in cash which render the payment doubtful. No sales tax invoice was issued was by the vendors and only simple bill were available in the record.

Audit holds that incurrence of expenditure out of public funds without observing the Punjab Procurement rules and Emergency Service Financial rules at unfair and non-competitive rate stands irregular. Further making vendors payment in cash by DDO through issuance of cheque in the name of DDO is against the rules and a significant weakness of internal control in respect of cash outflow of the organization.

Audit observations were issued in the month of August and September, 2019. The management replied that the process of Pre-Qualification of vendors for repair & maintenance work was carried out at the head office and District offices were informed accordingly. All relevant record is available at HQ. DEO Mandi Bahauddin also replied that M/S Murtaza Auto Parts & Works shop is a part of M/S United Enterprises. M/S United Enterprises attach sales tax invoice only for main items/parts and for repair works and they use invoices of M/s Murtaza Auto & Workshop. Pakistan Rubber & Tyre Company is also prequalified firm by the Rescue 1122 HQs.

Reply is not satisfactory as no relevant record in support was provided and general order suppliers/traders were prequalified as auto workshop for repair of vehicles.

The DAC in its meeting held on 16<sup>th</sup> and 17<sup>th</sup> January, 2020 directed that a fact-finding inquiry be conducted by Administrative Department regarding prequalification of General order suppliers and Traders as workshop for repair and maintenance of vehicles in Districts across Punjab. The report may be shared with audit to proceed further.

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

(PDP#383,461, 496 - DEO TTS, M.B. Din & Pakpattan FY 2018-19)

#### **1.4.11 Irregular expenditure on account of repair and maintenance of vehicles - Rs. 11.785 million**

According to rule 12(2) of Punjab Procurement Rule 2014, a procuring agency shall advertise procurement of more than one hundred thousand rupees and up to the limit of two million rupees on the website of the Authority in the manner and format specified by regulations but if deemed in public interest, the procuring agency may also advertise the procurement in at least one national daily newspaper.

Rule 17 of Punjab Emergency Service Financial Rules 2007 provides that the Service shall advertise, pre-qualify and shortlist a workshop for emergency repair of a category of equipment or vehicles in a District for ensuring timely repair and availability of an emergency vehicle and equipment for quick management of an emergency.

Audit noticed that the DEO Sialkot incurred an expenditure of Rs 11.785 million on account of repair and maintenance of vehicles from various firms in different timings as detailed below:

<b>Sr. No</b>	<b>Financial Year</b>	<b>Amount (Rs)</b>
1	2017-18	6,080,838
2	2018-19	5,704,188
<b>Total</b>		<b>11,785,026</b>

Audit observed that contrary to the above rules repair of transport work was done through local vendors without prequalification. Repair work/procurement was also splitted to avoid quotations and tendering process.

Audit holds that incurrence of expenditure in contravention of Punjab Procurement Rules and Emergency Service Financial Rules resulted in mis-procurement.

Audit observation was issued on 26.09.2019. The management replied that the department operates emergency vehicles providing 24/7 emergency help to the public in all types of emergencies. There was no repair work carried out of any vehicle which exceeded the amount of Rs 100,000 so tendering process was not required in any case of repair work. Even the Government of Punjab, (P & D) department vide order # SO (E-11) PES (P&D)1-4/2006 dated 11.05.2006 has relaxed certain rules for emergency service vehicle so that these are kept in optimal working condition. The repair work was mostly carried out from the Pre-qualified workshops by the Deputy Director (R & M) of the Service.

The reply is not cogent as the repairs work was done in contravention of rules.

The DAC in its meeting held on 16<sup>th</sup> and 17<sup>th</sup> January, 2020 directed that a fact-finding inquiry be conducted by Administrative Department regarding prequalification of General order suppliers and Traders as workshop for repair and maintenance of vehicles in Districts across Punjab. The report may be shared with audit to proceed further.

Audit recommends that the responsibility may be fixed for violation of Punjab PPRA Rules.

(PDP#676 - DEO Sialkot FY 2018-19)

#### **1.4.12 Loss due to non-realization of discount on local purchase of medicines - Rs. 5.912 million**

According to Director General Health Services SRO No. 499-336/MS dated 30.04.1998, the discount rate for local/national medicines should be 8% to 12% on Local Purchase of medicines.

The PES procured medical supplies of Rs. 49.263 million through direct contracting/ local purchase during financial year 2018-19. The PES did not obtain 8-12% discount on local purchase of medicines. Detail of medicine is attached at **Annex- V**.

Audit is of the view that that non-obtaining of discount from the suppliers resulted in loss of Rs.5.912 million (Rs 49.263 million x 12%).

Audit observation was issued on 10.10.2019. The management replied that PES did not made local purchase of medicines. The procurement was made by adopting rate contracts of the teaching hospitals because they have technical staff such as pharmacists to evaluate the technical bids of medical and surgical items. The teaching hospital awarded their contracts after completing due process prescribed in PPR, 2014.

The reply is not cogent as the mere adoption of rates of teaching hospitals without scrutiny as required under Punjab, PPRA do not qualify to be as rate contract. In the absence of any competition required under Punjab Procurement Rules, the same tantamount to local purchase and undue favor to the suppliers.

The DAC in its meeting held on 16<sup>th</sup> and 17<sup>th</sup> January, 2020 directed to refer the matter to Finance Department Punjab for clarification and proceed accordingly.

Audit recommends that the amount may be recovered from the suppliers.

(PDP#632 - Rescue HQ FY 2018-19)

#### **1.4.13 Irregular procurement of stationery - Rs. 1.789 million**

Rule 9 of Punjab procurement rules provides that 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 procuring agency shall advertise in advance annual requirements for procurement on the website of the Authority as well as on its website.

Rule 12 further provides that a procuring agency shall advertise procurement of more than one hundred thousand rupees and up to the limit of two million rupees on the website of the Authority in the manner and format specified by regulations but

if deemed in public interest, the procuring agency may also advertise the procurement in at least one national daily newspaper.

Audit observed that Rescue Head Quarter Lahore purchased stationery items of Rs 1.789 million during the financial year 2018-19 in violation of procurement rules. The procurement was made in piece meal by way of splitting and tendering process was not done. The department was required to make annual procurement and requirement planning and proceed accordingly through tendering and prequalification process.

Audit observation was issued on 10.10.2019. The management replied that said items have been procured as per need and requirement of the Punjab Emergency Service. The demand of stationery items was received on different dates from different field offices; hence the purchase was made on different dates as per need and requirements of the field offices.

The reply is not cogent as annual requirement was required to be assessed and proceed accordingly.

The DAC in its meeting held on 16<sup>th</sup> and 17<sup>th</sup> January, 2020 decided to refer the matter be referred to Finance Department Punjab for regularization. Further, the matter may be also be probed by Administrative Department for procurement of stationary and other supplies from the same vendor i.e. M/s Pride Enterprises on local purchase basis.

Audit recommends that the matter may be got regularized and the outcome of the inquiry may be shared with audit.

(PDP#637 - Rescue HQ FY 2018-19)

### **Irregularities- Management of accounts with banks**

#### **1.4.14 Un-authorized opening of DDO bank accounts and retention of balances**

Rule 9(1) of Punjab Treasury Rules states that a Government servant may not, except with the special permission of the Government, deposit in a bank, moneys withdrawn from the Consolidated Fund or the Public Account of the Province under the provisions of Section VII of these rules.

Further, Rule 2.2 of Punjab Subsidiary Treasury Rule states that Account sanctioned under Treasury Rule 9 must be opened with an office of the State Bank of Pakistan or with a branch of a Bank acting as its agent, according to the convenience of the officer opening the account. Where there is no office of the State Bank of Pakistan or branch of a bank acting as its agent, an account may be opened with the Post Office Savings Bank or, with the previous approval of the Government, with any other bank.

DEO Rescue 1122 Toba Tek Sing and Pakpattan were maintaining DDO bank accounts. An amount of Rs. 809,836 was laying as closing balance as on 30th June, 2019 as detailed below:

<b>Account Title</b>	<b>Bank</b>	<b>Account No</b>	<b>Balance as on 30.06.19 (Rs)</b>
Emergency Officer Rescue 1122	NBP Toba Tek Singh	4002589539	359,745
Emergency Officer Rescue 1122	NBP Pakpattan	4015121189	450,091
<b>Total</b>			<b>809,836</b>

Audit holds that opening of account without prior approval of Finance Department and retention of balance in DDO account is unauthorized. Further, all the expenditure of DEOs is being paid / managed through District Account office, hence, there was no requirement to maintain a separate bank account.

Audit observations were issued in the month of August and September, 2019. The management replied that the Bank Account was opened due to cross/cheque issued by the DAO beyond the limit of one hundred thousand rupees. Furthermore, the Bank Accounts have now been closed.

Reply is not satisfactory as relevant documentary evidence was not furnished.

The DAC in its meeting held on 16<sup>th</sup> and 17<sup>th</sup> January, 2020 directed to regularize the same from F. D Punjab. Besides PES HQ to identify the list of such accounts in all DEOs and submit the report to audit.

Audit recommends implementation of the DAC decision.

(PDP#390, 508 - DEO TTS & Pakpattan FY 2018-19

#### **1.4.15 Opening of bank account for District Emergency Board and receipt and expenditure there from without approval**

Rule 9(1) of Punjab Treasury Rules states that a Government servant may not, except with the special permission of the Government, deposit in a bank, moneys withdrawn from the Consolidated Fund or the Public Account of the Province under the provisions of Section VII of these rules.

Further, Rule 2.2 of Punjab Subsidiary Treasury Rule states that Account sanctioned under Treasury Rule 9 must be opened with an office of the State Bank of Pakistan or with a branch of a Bank acting as its agent, according to the convenience of the officer opening the account. Where there is no office of the State Bank of Pakistan or branch of a bank acting as its agent, an account may be opened with the Post Office Savings Bank or, with the previous approval of the Government, with any other bank.

Audit observed that District Emergency Board headed by DCO Sialkot in its meeting held on 11.12.2010 approved a proposal for opening of a bank account titled "District Emergency Board Fund account". The purpose of the account was to deposit fee of Rs. 5,000 fixed for one day fire-fighting & safety training organized by DEO to private industrial organizations for assistance in their social compliance audit / ISO 14000 certification etc. It was further decided that the amount so generated would be used for the affairs of 1122 Sialkot. Accordingly, a bank account bearing no. No. 0003-CD-005935-000-1 was opened in Bank of Punjab Sialkot. The signatories of the account were Chairman DEB/DCO and secretary DEB/ DEO 1122, Sialkot. Audit observed that an amount of Rs.1,337,000 was deposited in the account and expenditure of Rs. 806,180 was incurred during the FY 2014-15 to 2018-19.

Audit holds that opening of bank account and its operation and maintenance without the approval of the Finance Department was unauthorized. Further fixation and receipt of fees for training without approval of Rescue HQ was also unauthorized.

The matter was pointed out on 26.09.2019. The management replied that bank account was opened as per approval/decision of District Emergency Board. All receipts are accepted through crossed cheques which are properly deposited in the bank account and the said amount is expended for up keeping of Rescue 1122 Sialkot



against demand raised by the Rescue 1122 officials/officers and obtaining approval from the chairman only on those cases when there is no fund available in government budget or in absence of relevant head of account.

The reply is not cogent as the expenditure and the receipts collected in District Emergency Board Fund Account were not supported by the approval of the competent authority. The DEB does not have any power to open a bank account for such purposes without the approval of FD Punjab. Further, the act of collecting fee for the trainings imparted and expenditure made is also not supported by any rules.

The DAC in its meeting held on 16<sup>th</sup> and 17<sup>th</sup> January, 2020 directed to refer the matter to F. D Punjab for regularization of opening of District Emergency Board Fund account and its operation without approval. Besides, an inquiry may be instituted by the administrated department with a view to fix responsibility.

Audit recommends that the matter may be got regularized and the outcome of the inquiry may be shared with audit.

(PDP#682 - DEO Sialkot FY 2018-19)

### **Others- Service Delivery issues**

#### **1.4.16 Non-completion of approved schemes due to weak management resulted in surrender of funds - Rs. 793.707 million**

Govt. of Punjab approved different schemes under annual development plan (ADP 2015-16) for establishment /expansion of Punjab Emergency service (Rescue 1122).

Audit observed that the funds to the tune of Rs. 865.787 million were allocated in F.Y 2017-18 for completion of different ADP schemes for expansion of operations of PES 1122 at Tehsil level through procurement of ambulances and equipment. The detail is attached at **Annex-VI**. Despite having sufficient budget allocation for approved schemes, department failed to complete the schemes within their scheduled timeframe hence surrendered an amount of Rs. 793.707 million to Government.

Audit is of the view that due to weak planning and financial management and lack of monitoring and evaluation by the administrative department, the amount could not be utilized and surrendered to Government.

The matter was pointed out on 10.10.2019. The management replied that these ADP funds were released by the Finance Department for procurement of Emergency Ambulances which were urgently required to operationalize the Emergency Services in all remaining Tehsils & new towns in Punjab. Accordingly, the procurement of Ambulances was initiated by the Procurement wing for which the procurement process was completed after a series of High-Powered Procurement Committee (HPPC) meetings. The HPPC approved the procurement of Ambulances on 24.05.2017 and contract agreement for supply of 323 Ambulances was signed with M/s Toyota Garden Motors (Pvt.) on 06.06.2017. Unfortunately, the successful bidder changed the offered model of the approved vehicles. In order to address this issue, the matter was again placed before HPPC during its meeting held on 17.10.2017 but lack of consensus in decision making led to delay in procurement of ambulances and contract agreement was cancelled by HPPC. No concrete solution could be arrived at in its following meetings. In order to avoid further delay a proposal was submitted by the Service to S & GA Department on 14.03.2018 either to resolve the HPPC issue or surrender these funds. After shifting the administrative control of the Service to Home Department in 2016 a High-Powered Procurement Committee for the procurement of all vehicles, equipment, etc. was constituted by the Home Department without taking into consideration the already notified Punjab Emergency Service Financial Rules 2007. This HPPC comprises of 11 members out of which 8 are from different departments. Several meetings were adjourned due to incomplete quorum and lack of decision making resulted in lapse of ADP funds. Therefore, the PES 1122 requested the Secretary of the Administrative Department, either to resolve this HPPC issue or chair its meeting. But considering the paucity of time these funds were surrendered.

The management accepted the audit contention.

The DAC in its meeting held on 16<sup>th</sup> and 17<sup>th</sup> January, 2020 directed to expedite the process of procurement necessary to expand rescue operations at Tehsil level besides sharing the progress of the HPPC meeting with audit.

Audit recommends that a fact-finding report may be submitted to audit for blockage of public money at one hand and poor performance by the management resulting in non-accomplishment of ADP targets. Besides this, the current status of the schemes and Minutes of the meetings convened by HPPC during the FY 2018-19 may be shared with audit to proceed further.

(PDP#626 - Rescue HQ FY 2018-19)

#### **1.4.17 Conducting water rescue operations without dedicated and trained staff**

According to Para 5(1)(a) of the Punjab Emergency Service Act 2006, it is function of the Punjab Emergency Service to “maintain a state of preparedness to deal with emergencies”. Para 5(1)(c) further provides that it is function of the Punjab Emergency Service to “establish a system for rapid communication, exchange of information and quick response to combat or deal with an emergency.

Audit observed that two sets of Self Contained Under Water Breathing Apparatus (SCUBA) were issued by Head office to DEO Pakpattan in 2017 for water rescue operations. Audit noticed from the record that a DERT (Disaster Emergency Response Team) rescuer Muhammad Irfan S/O Muhammad Elissa had martyred while conducting water rescue operation on 12-04-2018. An inquiry committee was constituted vide Punjab Emergency Service Lahore office order No. 1104 (HR)/ 18 (PES) dated 14 April 2018. However, inquiry report was not provided to audit.

Audit noticed that DEO Pakpattan in its letter No. 18/19(DEO/PK) dated 09-01-2019 addressed to DG Punjab Emergency service Lahore stated that main cause of death was SCUBA diving which was totally ignored by the inquiry committee. It was also mentioned in the letter that searching dead bodies in muddy water through scuba diving is highly technical and life-threatening field which was not included in the job description of DERT rescuer at the time of recruitment. The SCUBA diving was implemented all of sudden without recruiting the trained staff in the relevant field. It was further mentioned in the letter that training in SCUBA diving was started in Emergency Service Academy without any designated and professional SCUBA diving instructors. The SCUBA diving was improperly adopted without any trained instructors which in turn resulted into failure and loss of precious human lives.

Similarly, another inquiry was conducted by the Commissioner Bahawalpur regarding probe of death of two persons including one rescuer from DEO Bahawalpur. Commissioner Bahawalpur submitted its report to Additional Chief Secretary (Home) Government of the Punjab vide its letter no PA/274 dated 11-04-2019. As per report rescuer was conducting rescue operation to pull out a person drown in a main hole. The rescuer entered in the main hole without SCUBA and lost his consciousness due to toxic gases and died in the main hole. It was mentioned in the report that no quality trainings were imparted to the rescuers as no qualified and certified professional trainers are available with PES. And no approved curriculum/course is available.

Keeping in view the above facts audit holds that water rescue service was launched without feasibility study. Neither dedicated staff was hired nor available staff was trained properly by qualified trainers.

Audit observation was issued on 18-09-2019 but no reply was furnished by the management.

The DAC in its meeting held on 16<sup>th</sup> and 17<sup>th</sup> January, 2020 directed that the administrative department conduct an inquiry with a view to fix responsibility for loss of precious lives. Besides, PES 1122 to ensure that the staff is not engaged in such operations without proper training and equipment.

Audit recommends that matter may be inquired to fix the responsibility on the person(s) at fault for launching a new service without feasibility study and dedicated trained staff. It is further recommended that dedicated staff may be got trained from certified trainers/institute to avoid such events which results in loss of precious human lives.

(PDP#510 - DEO Pakpattan FY 2018-19)

#### **1.4.18 Non-conducting physical verification of stores items and non-conducting of internal audit on annual basis**

As per rule 14 of Punjab Emergency Financial Rules a committee consisting of repair and maintenance wing, officer in-charge of stores, emergency officer of related wing or district and if required, a technical expert, appointed by the Director General, shall inspect the stores. The committee shall be responsible for the inspection of the equipment, vehicles and stores purchased by the Service. In case the

committee fails to reach consensus on an issue, the matter may be referred to the standardization committee for final decision. The officer in-charge of the stores shall carry out a quarterly inspection to verify the quantity and condition of vehicles, equipment and stores maintained by at each district or wing of the Service. The officer shall submit the report of inspection to the Director General.

According to Govt. instructions issued, vide notification No. SOE-II (P&D) 1-15/07 dated 2nd February 2007, the Internal Auditor of the department shall exercise all budgetary and financial controls under the framed rules and the best practices prescribed by the Government.

Audit observed that from the record of District emergency office Toba Tek Sing, Mandi Bahauddin and Pakpattan that the store inspection and physical verification of assets was not carried out as prescribed in the rules. Audit is of the view that non-conducting physical verification of assets and stores is serious violation of rules and creates a chance of pilferage of stores items and assets. Further internal audit of the accounts of District Emergency Offices was required to be conducted by the Internal Auditor who shall prepare annual internal audit report also required under clause-18(2) of the said notification. Audit noticed that internal audit for the FY 2014-15 to 2018-19 was not conducted as no report to this effect is produced to audit.

Audit observations to DEO Toba Tek Singh, Mandi Bahauddin and Pakpattan were issued on 16-07-2019, 28-08-2019 and 18-09-2019 respectively. The management replied that policy of physical verification of assets and internal audit mechanism is devised at head office level.

Reply is not satisfactory as not addressing the issue of conducting physical verification and internal audit on annual basis.

The DAC in its meeting held on 16<sup>th</sup> and 17<sup>th</sup> January, 2020 directed that physical verification be conducted on annual basis and report be shared with audit. Besides, the software being used by PES for stock management should be enabled to identify the expired medicines and their location. Para stands, till the Internal Audit is conducted by the Internal audit wing and Report is shared with audit.

Audit recommends that physical verification of assets and stores and internal audit may be carried out on annual basis and reports may be shared with Audit.

#### **1.4.19 Non-replacement of emergency vehicles**

According to rule 13 (1) of Emergency Services Financial Rules 2007 the Service may replace an emergency vehicle on completion of one hundred thousand Km or usage over a period of three years, whichever is earlier.

Audit noticed that District Emergency Office Rescue-1122 Toba Tek Sing, Mandi Bahauddin Pakpattan and Sialkot had a fleet of 17, 27, 19 and 17 vehicles respectively for provision of emergency rescue service in the Districts. Audit observed that all the vehicles had a used life of about 05- 09 years and had been utilized beyond their running limit of one hundred thousand Km fixed for replacement.

Audit is of the view that using of vehicles beyond their prescribed standard running limit is against the rules and may affect the performance of Rescue service.

Audit observations were issued in the month of August & September, 2019. The management replied the mechanism of replacement of ambulances/ emergency vehicles is devised at head office level. Keeping in view the credibility of the service to cope with the emergencies the vehicles are kept operational in that duration. The matter was also brought into the notice of head office however no action has been taken so far.

Reply is not satisfactory as no cogent reason for non-replacement of emergency vehicles was furnished.

The DAC in its meeting held on 16<sup>th</sup> and 17<sup>th</sup> January, 2020 directed to expedite the process of procurement necessary to expand rescue operations at Tehsil level besides sharing the progress of the HPPC meeting with audit.

Audit recommends that the ambulances which have run over the prescribed standard limit may be replaced to continue the effective provision of emergency services.

(PDP#388, 471, 511, 677 - DEO TTS, M.B. Din, Pakpattan& Sialkot FY 2018-19)

#### **1.4.20 Non-maintenance of life insurance of the employees**

According to Section 20 of the Punjab Emergency Service Act 2006, all members of the Service shall contribute to the salary saving life insurance scheme

and compensation in case of injury or death in the line of duty shall be provided by the Service to such extent as may be prescribed by the Council. Rule 06 of the Punjab Emergency Service Financial rules 2007 further provides that the Service shall insure the employees with the State Life Insurance Corporation of Pakistan. The employees shall contribute monthly to the salary saving life insurance scheme in terms of Section 20 of the Act. The contribution shall be equaling to the amount of monthly General Provident Fund payable by a civil servant in the same basic scale.

Audit observed that the Rescue 1122 Toba Tek Sing, Mandi Bahauddin and Pakpattan are not maintaining the scheme of life insurance of employees with State life insurance Corporation of Pakistan. Department acknowledged that initially the scheme was launched and premiums were deposited with the SLICP but later on suspended.

Audit holds that non-maintenance of the Life insurance scheme is against the Emergency Service Act and rules framed there under. Further, the amount of premium deposited with the Corporation was also not got refunded.

Audit observations were issued in the month of August & September, 2019. The management replied that life insurance of employees/staff scheme was launched under the rules when the staff was appointed on contract basis but later on, the staff discontinue the scheme when the department was regulated in 2009.

Reply is not satisfactory as insurance is mandatory under the PES Act and rules framed there under.

The DAC in its meeting held on 16<sup>th</sup> and 17<sup>th</sup> January, 2020 directed to either implement or amend Section 20 of the Punjab Emergency Service act and Rule 6 of the Punjab Emergency Service Financial Rules.

Audit recommends that responsibility may be fixed for non-maintenance of Life insurance of the Emergency Service employees besides insuring them with State Life Insurance Corporation of Pakistan.

(PDP#395, 475, 515 - DEO TTS, M.B. Din & Pakpattan FY 2018-19)

#### 1.4.21 Expired medicine in store room and water cannon and fire vehicles

Health Department Government of the Punjab Notification No. SO (DC)7-2/2012 dated 28.11.2016 provides that expired, broken or damaged items shall be kept/stored separately, properly labeled and marked in the medicine store.

Audit observed during physical inspection of store that some expired medicines were kept in Store of the District Emergency Office (DEO) Sialkot. The detail is as under: -

S. No	Medicine Name	Manufacture Date	Expiry date	Quantity
1	Pains Injection	05/17	05/19	1000 approx.
2	Sterile 100 sets	06/2013	06/2018	500 approx.

Similarly, during physical inspection of Water Canon Vehicle and Fire Vehicles some expired medicines were found in First Aid Box for treatment of emergencies/patients in said vehicles. The detail is as under: -

S. No.	Vehicle No	Item name	Manufactured Date	Expiry date	Qty.	Batch No/ Lot No.
1	ST RV-1	Absorbent Cotton Wool	05/15	05/18	1 Bundle	752
2	-do-	Medi Creep	05/15	04/18	10 Bundle	000254
3	ST RV-8	Triangular Bandage	03/15	03/18	10 Bundle	0002
4	-do-	Absorbent Cotton Wool	05/15	05/18	1 Bundle	752

Audit holds that presence of expired medicines is life threatening. This reveals the casual behaviour and weak internal check of the management which may lead to any untoward situation.

Audit observation was issued on 26.09.2019. The management replied that seven Rescue Stations had returned 597 number of injections Dicloran and six stations returned 199 pcs of Butterfly Needle whereas 130 pieces of these needles were found expired from Store Room stock. These two items were kept separate in the Store. Now these items have been packed with detail of items and expired imprinted in bold letter and placed with dead stock. Further disposal will be made in consultation with Head office at the time of auction of old parts.

Reply is not satisfactory as the medicines were not stored properly as per given instructions.



The DAC in its meeting held on 16<sup>th</sup> and 17<sup>th</sup> January, 2020 directed that responsibility be fixed for negligence and policy / SOP be framed and circulated to all DEOs regarding expired medicines and their disposal.

Audit recommends that the personal responsibility may be fixed for the negligence. Further SOPs in this regard may be chalked out and implemented in letter and spirit.

(PDP#679, 680 - DEO Sialkot FY 2018-19)

#### **1.4.22 Storage of medicines in poor and unhygienic condition - Rs. 52.700 million**

Health Department Government of the Punjab Notification No. SO (DC)7-2/2012 dated 28.11.2016 provides that all medicines must be kept on racks and shelves. Medicines shall be stored off the floor, suitably spaced to permit ventilation, cleaning and inspection. The pallets need to be used for staking the medicine cartons at least 10 cm (4 inches) off the floor, at least 30cm (1 foot) away from the walls and other stacks and not more than 2.5m (8 feet) high. The issuance of medicine will be done on FEFO (first expire first out) basis. Medicines must be stored in dry, clean, well-ventilated area at room temperatures between 15° to 26° C (59° - 77°F) or up to 30° C, depending on climatic conditions.

Rescue 1122 HQ, DEO Toba Tek Sing, Mandi Bahauddin, Pakpattan and Sialkot procured medicine, medical and surgical items of Rs 52.700 million as detailed below:

<b>Sr. No</b>	<b>Office Name</b>	<b>Financial Year</b>	<b>Amount (Rs in millions)</b>
1	Rescue 1122 HQ	2018-19	49.263
2	DEO Toba Tek Singh	2014-2019	1.030
3	DEO Mandi Bahauddin	-do-	1.115
4	DEO Pakpattan	-do-	0.590
5	DEO Sialkot	2014-2019	0.702
<b>Total</b>			<b>52.700</b>

Audit observed that the medicines were being stockpiled in dead & consumable store. Further, the room temperature of all stores was more than the

required standard. No inventory management system like FEFO (first expire first out) basis was in use. There was no proper ventilation arrangement available in room. Dead stock was also stored in the same store and medicines were stacked without any arrangement/labeling.

Audit holds that the stocking and storage system of medicines is not as per required standards. Violation of instructions is highly risky for the victims of emergency. It may create loss of human life, financial loss and affect the goodwill of organization.

Audit observations were issued in the month of August and September, 2019. Rescue HQ replied that the humidity level in the store is decreased due to installation of exhaust fans. The rescue information management system (RIMS) is installed at Headquarters Stores through which the mechanism of FEFO (First Expire First Out) shall be monitored. It is further submitted that due to proper cleaning system the Headquarters Stores is dust free now and all medicines are arranged properly and labeled. DEO TTS, Mandi Bahauddin and Pakpattan replied that store is maintained as per directions and Observation of Audit and issued as per FEFO inventory management system. DEO Sialkot replied that most of the medicines available in the store require to be stored at room temperature and none of these was required to be stored in refrigerator. However, a demand has now been sent to the Head Office for provision of Air conditioner.

Reply is not satisfactory as the room temperatures between 15° to 26° C (59° - 77°F) or up to 30° C, depending on climatic conditions is not being maintained to store the medical items.

The DAC in its meeting held on 16<sup>th</sup> and 17<sup>th</sup> January, 2020 directed that a centrally led team from PES HQ be constituted to verify the stores of Districts and Headquarters and accordingly a report in this regard be shared with audit in two months to proceed further.

Audit recommends to implement the DAC decision besides storage of medicines as per guidelines of Health Department Government of Punjab.

(PDP#394, 467, 506, 639, 675- DEO TTS, M.B. Din, Pakpattan Rescue HQ, DEO Sialkot FY 2018-19)

### **1.4.23 Non-formulation of SOPs for donations and non-reporting the detail to Headquarter**

According to article 5(2) of Punjab Emergency Service Act, “The Service shall have the authority to accept donations in the shape of land, vehicles, equipment and other such items which may facilitate the functioning of the Service and all such donations shall be used, maintained and disposed of by the Service in the manner prescribed in the rules or regulations”.

During audit at DEO Toba Tek Sing, Mandi Bahauddin and Pakpattan it was observed that training is being imparted to NGOs/private institutions and donations in shape of machinery, equipment, drugs and other items received by the Punjab Emergency Service, however, rules/regulations/SOPs for acceptance, maintaining and disposal of such donations were not framed. The donations had not been taken on charge properly and not reported to the Headquarter, hence, audit could not verify the quantity and specification of items received by the district.

Audit is of the view that in the absence of approved rules/SOP as well as non-maintaining the consolidated record at headquarter level, accepting the donations may lead to the chance of pilferage at any stage.

Audit observations were issued in the month of August and September, 2019. The management replied that list of all donations received (in cash and in kind) has been prepared.

Reply is not satisfactory as no proper SOPs regarding donations have been devised.

The DAC in its meeting held on 16<sup>th</sup> and 17<sup>th</sup> January, 2020 directed to develop SOPs at HQ level to account for donations across Punjab and sent its acknowledgement by way of appreciation letter to the donor.

Audit recommends that SOPs regarding receipt, recording, issuance and monthly reporting to Head office may be devised under intimation to audit.

(PDP#392, 472, 512 - DEO TTS, M.B. Din & Pakpattan FY 2018-19)

#### **1.4.24 Non-preparation of policies and SOPs for stock management**

According to Para 5(1)(a) of the Punjab Emergency Service Act 2006, it is function of the Punjab Emergency Service to “maintain a state of preparedness to deal with emergencies”.

According to Mission statement of the Service, establishment of an effective system for emergency preparedness, response, protection and prevention while contributing towards building socially responsible, healthy, resilient and safer communities.

Audit observed that there was a nil balance of Ringer Lactate solution typically used to replace lost fluid, blood, or both in emergency and normal saline used to flush wounds and skin abrasions at the time of audit in Pakpattan. Similarly, there was a nil balance of Fixed BP Apparatus, injection distilled water, pulse oxy meter, fire safety helmet and fire suit at the time of audit in District Mandi Bahauddin. Audit further noticed that policies and SOPs for stock management were not framed even after the elapse of 15 years since establishment. As per international standards, the emergency and disaster management organization should have the policy and SOPs for stock management which clearly define about the mandatory stock of rescue and medicine items, minimum stocking levels and lead time etc.

Audit holds that non-preparation of policy and SOP for stock management is a lapse at the part of management which led to state of non-preparedness.

Audit observations were issued in the month of August and September, 2019. The management replied that preparation of policy and SOPs for stocking is devised at the head quarter level.

The DAC in its meeting held on 16<sup>th</sup> and 17<sup>th</sup> January, 2020 directed that PES HQ 1122 to develop, circulate and implement stocking policy / SOPs to maintain stocking level.

Audit recommends that non-preparation of policy/ SOP for stocking level and stock maintenance may be justified besides preparation of the same under intimation to audit.

(Para 21, 21, 24 - DEO TTS, M.B. Din & Pakpattan - FY 2018-19)

#### **1.4.25 Non-preparation of service structure and service rules for Punjab Emergency Service Rescue 1122**

The Punjab Emergency Service Rescue-1122 has been established under the Punjab Emergency Service Act 2006 for professional management of emergencies such as road traffic accidents, building collapse, hazardous material incidents, fires and disasters.

The Mission statement of the Service is to establishment of an effective system for emergency preparedness, response, protection and prevention while contributing towards building socially responsible, healthy, resilient and safer communities.

Audit noticed that initially the Rescue Emergency Service was launched as a project in Lahore City. Later on, after the success of the Service in Lahore it was established on permanent ground in all the Districts of the Punjab and also penetrated in Tehsil level. Audit observed that some of the staff is working on permanent basis as regular government employee whereas some on contract basis. Audit noticed that about 15 years have been elapsed but Service structure and service rules have not yet been prepared and approved from the competent forum.

Audit observation was issued on 16-07-2019 but no reply was furnished by the management.

The DAC in its meeting held on 16<sup>th</sup> and 17<sup>th</sup> January, 2020 directed PES HQ 1122 to expedite the process of finalization and approval of Service rules.

Audit recommends that Service structure and service rules may be prepared and approved from the competent forum under intimation to audit.

(Para 22, 22, 25 - DEO TTS, M.B. Din & Pakpattan FY 2018-19)

**Civil Defence Department**

**2.1 Introduction of the Department**

(A) Civil Defence department is the attached department of Home department, Government of the Punjab with a mission to provide auxiliary service in War and Peacetime. The main objective of Civil Defence is to pool national resources and conduct and control Civil Defence operation to minimize the effects of enemy's assault during war time. Civil Defence Department perform mainly the following functions: -

- Help civil administration in peace and war emergency through warden service and available resources.
- Render first aid, evacuate casualties during emergencies.
- Provide assistance, render advice in bomb disposal.
- Conduct survey regarding fire preventive measures.

**(B) Comments on Budget & Accounts (Variance Analysis)**

(Rs in million)			
F. Y	Budget	Exp.	Diff.
2018-19	632.289	508.005	124.284

**Audit Profile of Civil Defence Department Punjab**

Sr. No	Description	Total Nos	Audited	Expenditure Audited FY 2018-19 (Rs in million)
1	Formations	43	5	44.282
2	Assignment Accounts (excluding FAP		---	
3	Authorities/Autonomous Bodies/ companies etc. under the PAO		---	
4	Foreign Aided Projects (FAP)		----	

## 2.2 Classified Summary of Audit Observations

Audit observations amounting to Rs. 71.978 million were raised as a result of this audit. This amount also includes recoverable of Rs. 1.303 million. Summary of the audit observations classified by nature is as under:

<b>Sr. No</b>	<b>Classification</b>	<b>Amount (Rs in Million)</b>
1	<b>Irregularities</b>	<b>71.978</b>
A	HR/Employees related irregularities	58.029
B	Procurement related irregularities	11.901
C	Management of Accounts with Commercial Banks	2.048
2	Value for money and service delivery issues	---
3	Others	---

## 2.3 Brief Comments on the Status of Compliance with PAC Directives

Since this Directorate General conducted audit of Disaster Management organizations of Punjab during the Audit Year 2016-17, therefore, the Audit Reports have not yet been discussed in the PAC.

## 2.4 AUDIT PARAS

### Irregularities- Employees/internal controls

#### 2.4.1 Un-justified expenditure on contingent pay/ stipend to paid volunteers - Rs. 47. 813 million

Rule 2.10 of Punjab Financial Rules Vol-1 states that same vigilance should be exercised in respect of expenditure incurred from Government revenues, as a person of ordinary prudence would exercise in respect of the expenditure of his own money.

Para 4.3.1.1 of Accounting Policies and Procedures Manual provides that all expenditures apart from inter-government transfers, certain salaries & pension payments, GP Fund payments and those met from impress account will be paid through cheque.

Civil Defence Offices at District Toba Tek Singh, Jhang, Mandi Bahauddin and Pakpattan paid an amount of Rs.47.813 million to the paid volunteers as detailed below:

Sr. No	Office	Period	Amount (Rs)
1	CDO T. Tek Singh	2013-14- to 2018-19	32,927,783
2	CDO Jhang	04/2017 to 06/2019	4,480,396
3	CDO M.B. Din	2016-17 to 2018-19	1,809,916
4	CDO Pakpattan	2014-15 to 2018-19	8,594,520
<b>Total</b>			<b>47,812,615</b>

Audit observed the following shortcomings:

1. Paid volunteers were working with Civil Defence offices on contingent basis since FY 2013-14 and were paid @ Rs.577 per day. The strength of the paid volunteers upto 30<sup>th</sup> June, 2019 was increased manifold with very higher percentage. The detail is attached at **Annex-VII**. Appointments were made without any recruitment criteria; hence, selection of these paid volunteers is irregular.
2. TORs of the paid volunteers were not prepared as not provided to audit. Further their monthly deployment record was not provided.



3. All the payments upto financial year 2017-18 were made in cash by DDO through obtaining cheques from AG office in the name of DDO instead of concerned employee.

Audit holds that about 50 to 70% of the budget of Civil Defence in each District is being spent for payment of stipend/contingent pay to paid volunteers. Spending of huge portion of budget on contingent payment to volunteers whose TORs/functions were not prescribed and also not appointed through regular recruitment process is unjustified. Further payment in cash is against the financial canons. Making payment through DDO cheques is a significant weakness of internal control in respect of cash outflow of the organization.

Audit observations were issued in the month of August and September, 2019. CDO Toba Tek Singh and Jhang replied that Civil Defence Volunteers are being engaged for a term of 89 days and deployed at various places for security duty in the public interest by the order of Deputy Commissioner. However, the case has been referred to the Director, Civil Defence Punjab, Lahore for further necessary action. Further payment is being made through cross cheque and the instructions have been noted for future compliance. No reply was furnished by CDO Mandi Bahauddin and Pakpattan.

Reply is not plausible as not addressing to the specific audit observations.

No DAC meeting could be arranged till finalization of this report despite repeated reminders.

Audit recommends that matter may be inquired and looked into at an appropriate level to devise a better structure. Keeping in consideration the functions and requirement of the organization, paid volunteers' model/concept may be eliminated through appointment on regular or on contract basis.

(PDP # 396, 420, 421, 449, 521 - CDO TTS, Jhang, CDO M. B. Din & CDO Pakpattan FY 2018-19)

## **2.4.2 Non-surrender of unspent balances resulting into lapse of funds - Rs. 17.712 million**

Para 14.3 of Punjab Budget Manual provides that all savings or unspent funds shall be surrendered / reported to Govt. through statement of excesses and surrenders, so that balances may be transferred / distributed to other needy departments of the Government to avoid the lapse of appropriations.

Audit observed that the funds placed at the disposal of DDO Civil Defence Office District Toba Tek Sing, Jhang, Pakpattan and Sialkot during the financial years 2014-15 to 2018-19 were not utilized efficiently and the unspent balances were not surrendered before the close of each fiscal year. Resultantly, a huge amount of Rs. 17.712 million under different heads of accounts got lapsed. The detail is attached at **Annex-VIII**.

Audit is of the view that the non-surrender of savings and lapse of released budget allocation is a serious negligence and poor financial discipline on the part of the management.

Audit observations were issued in the month of August and September, 2019. CDO Toba Tek Sing replied that this office surrendered the amount in 2<sup>nd</sup> statement and the Government of Punjab has not surrendered the amount. Sometimes the Government of the Punjab has stopped the payment at the end of financial year and unspent balance was lapsed. Instructions have been noted for future compliance. Reply is not satisfactory as the excess amount was not surrendered on time. CDO Jhang replied that instructions have been noted for future compliance. No reply was furnished by the CDO Pakpattan.

Reply is not satisfactory as the unspent balances were not surrendered on timely basis.

Audit recommends that responsibility may be fixed for not surrender of funds in time and take disciplinary action against the person (s) at fault under intimation to audit.

(PDP#402, 428, 523, 614 - CDO TTS, Jhang, Pakpattan & Sialkot FY 2018-19)

### 2.4.3 Irregular expenditure under the head of account “Others” - Rs. 8.747 million

Rule 2.33 of Punjab Financial Rules Vol-I states that every Government servant should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part, and that he will also be held personally responsible for any loss, arising from fraud or negligence on. The part of any other Government servant to the extent to which it may be shown that he contributed to the loss by his own action or negligence.

Civil Defence Office District Jhang booked an amount of Rs. 8.747 million as expenditure under the head “To Others” during the financial years 2010-11 to 2016-17 as detailed below:

S. No	Financial Year	Head of Account	Amount
1	04/2011	To Others (A05270)	2,000,000
2	2011-12	To Others (A05270)	2,000,000
3	2012-13	To Others (A05270)	1,000,000
4	10/2015	To Others (A05270)	1,600,000
5	02/2016	As per Bank statement	1,146,520
6	09/2016	As per Bank statement	1,000,000
<b>Total</b>			<b>8,746,520</b>

The above-mentioned amounts were drawn through cheques issued by DAO and were credited/deposited in the DDO Civil Defence account. The same was withdrawn from DDO account and deposited in the bank account titled “Deputy Commissioner” bearing account number 4035386160 maintained in NBP Jhang.

Audit observed the following irregularities:

1. Copies of the cheques received from District Account Office were not available in the record.
2. Bank accounts in the name of DDO and Deputy Commissioner were opened without approval of Finance Department.
3. Department had no approved regulations/SOPs about operations, receipt and payment/expenditure from the DC’s account.
4. Transfer of amount from DDO account to DC’s account and booking it as expenditure is irregular.

5. Civil Defence office did not prepare the expenditure statements of this account. Expenditure and bank balances were not reconciled.
6. The record relating to expenditure incurred from DC's account was not produced.
7. Cash book for this account was not maintained properly. The above-mentioned amounts had not been entered on receipts side. Cash book was not being closed regularly and balance amount was not transferred to the next month.
8. Cheque book register and cheque register was also not being maintained.
9. Cash book had been written upto the month of October, 2016 but as per counter foil expenditure from this account had been incurred upto the month of March, 2018.

Audit holds that opening of bank accounts without approval of Finance Department is un- authorized. Further operation and maintenance of the account without any regulations/SOPs is irregular. Due to improper and incomplete record audit is unable to verify the authenticity of the expenditure incurred.

Audit observation was issued on 30-07-2019. The management replied that this office has informed to concerned DDOs regarding audit Para.

No formal reply was furnished.

No DAC meeting could be arranged till finalization of this report despite repeated reminders.

Audit recommends that inquiry may be conducted to fix the responsibility against the person(s) at fault.

(PDP#430 - CDO Jhang FY 2018-19)

#### **2.4.4 Non-deposit of fine amount in Civil Defence head and non-submission of monthly receipts report to Headquarter - Rs. 1.469 million**

Rule 18 of Civil Defence (Special Power) Rules 1951 dealing with safety measures in premises states that the Central Government or the Provincial Government may by order, with respect to such premises as may be specified in the order require the owner or the occupier of the premises to take such measures as may be specified in the order; or authorise any person to take such measures for the

purposes of Civil Defence as may be so specified being measures which are in the opinion of that Government necessary to minimize danger to persons being in or in the vicinity of such premises. Rule 18 further provides that if any person contravenes any order made under this Rule, he shall be punishable with imprisonment for a term which may extend to one month, or with fine or with both.

Audit observed that Civil Defence Offices at District Toba Tek Singh, Mandi Bahauddin Pakpattan and Sialkot realized an amount of Rs 2.806 million on account of fine receipts. Audit noticed that out of total receipts an amount of Rs 1.469 million was deposited in court heads instead of Civil Defence heads 2668 & 2669 as detailed below:

S. No	Office Name	FY	Total fine imposed	Deposited in court head	Deposited in Civil Defence head 2668
1	CDO Pakpattan	2014-2019	942300	811000	131300
2	CDO Toba Tek Singh	2012- 2019	405900	147300	258600
3	CDO Jhang	2012- 2019	290300	53000	237300
4	CDO Mandi Bahauddin	2014-2019	684100	0	0
5	CDO Sialkot	2018-19	483500	458000	25500
<b>Total</b>			<b>2,806,100</b>	<b>1,469,300</b>	<b>652,700</b>

The same issue was highlighted by Civil Defence Headquarter vide its letter No. CDMBD/35/2019/1330 dated 16-07-2019 that a major amount has also been deposited in head of District Courts CO-2604 instead of Civil Defence heads CO-2668 & 2669.

Audit further observed that District office TOBA TEK SINGH and Jhang was required to submit the receipt report to it headquarter on monthly basis. However, Directorate Civil Defence Punjab vide its letter no.BA-Receipt /2018/14038-56 dated 10-10-2018 showed its serious concerns about non-submission of monthly receipt report. It was further transpired from the record of Civil Defence Office Mandi Bahauddin and Sialkot that challans wise reconciliation and copies of challans were not available in the record. In the absence of copies of challans, the number of

challans made, fine realized and deposit amount in relevant account on monthly and annual basis could not be reconciled.

Audit holds that deposit of fine amount in Court head of account instead of Civil Defence head of account is un-authorized. Further, non-maintenance, non-reconciliation and non-submission of monthly receipt report on timely basis is irregular and lead to concealment of the progress from headquarters.

Audit observations were issued in the month of August and September, 2019. CDO Toba Tek Singh and Jhang replied that the receipt report of fine of Civil Defence Challans was submitted to District Accounts Office for verification and forwarded to Civil Defence Directorate when got verified. Furthermore, Deputy Commissioner, Toba Tek Singh was requested vide his letter No. No. 152/F&P dated 16-01-2018 to approach the District & Session Judge for issue necessary instructions that the fine may be deposited in head CO-2668 instead of CO-2604. No reply was furnished by the management of CDO Mandi Bahauddin, Pakpattan and Sialkot.

Reply is not plausible as receipts were deposited in wrong head even after issuance of letter by Deputy Commissioner.

No DAC meeting could be arranged till finalization of this report despite repeated reminders.

Audit recommends that responsibility may be fixed on the person (s) at fault besides corrective measures.

(PDP#401, 424, 451, 520, 612 - CDO TTS, Jhang, M. B. Din, Pakpattan & Sialkot FY 2018-19)

### **Irregularities-Procurement**

#### **2.4.5 Mis-procurement of various rescue item - Rs. 3.215 million**

Rule 12 of Punjab Procurement Rules provides that the procuring agency shall advertise procurement of more than one hundred thousand rupees and up to the limit of two million rupees on the website of the Authority in the manner and format specified by regulations but if deemed in public interest, the procuring agency may also advertise the procurement in at least one national daily newspaper. However, any procurement exceeding two million rupees shall be advertised on the website of the

Authority, the website of the procuring agency, if any, and in at least two national daily newspapers of wide circulation, one in English and one in Urdu.

Civil Defence office Mandi Bahauddin incurred an expenditure of Rs. 3.215 million during the financial year 2015-16 on account of procurement of various rescue items from M/S A-Tech International, Lahore as detailed below:

<b>Sr.</b>	<b>Description</b>	<b>Invoice No</b>	<b>Amount</b>
1	Combi tool hydraulic (cutting blades)	1262 dated 31-05-2016	950,000
2	Life jackets (child)	1263 dated 31-05-2016	109,500
3	Life jackets (adult)	1264 dated 09-06-2016	230,000
4	Rescue flame cutter system	1265 dated 09-06-2016	278,000
5	Self-engine operated blade	1266 dated 31.05.2016	280,000
6	Self-contained under water breathing apparatus	1267 dated 31-05-2016	499,000
7	Inflatable boat	1270 dated 09-06-2016	290,000
8	Air jumping cushion	1271 dated 09-06-2016	578,000
<b>Total</b>			<b>3,214,500</b>

Audit observed the following irregularities:

1. Advertisement was not floated on the authority's web site as no record to this effect was available
2. Detail of bidders were not available in the record.
3. Comparative statements were not prepared and signed by the notified purchase committee.
4. Items mentioned at serial no 5 & 7 were not advertised, as not mentioned in the advertisement appeared in newspaper.

Audit holds that due to mis procurement of the rescue items, fair competition among the bidders and competitive rates could not be achieved.

The matter was reported on 09-08-2019 but no reply was furnished by the management.

No DAC meeting could be arranged till finalization of this report despite repeated reminders.

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

(PDP#447, CDO M. B. Din FY 2018-19)

#### 2.4.6 Irregular purchase of miscellaneous items - Rs. 1.279 million

Rule 12 of Punjab Procurement Rules provides that the procuring agency shall advertise procurement of more than one hundred thousand rupees and up to the limit of two million rupees on the website of the Authority in the manner and format specified by regulations but if deemed in public interest, the procuring agency may also advertise the procurement in at least one national daily newspaper. However, any procurement exceeding two million rupees shall be advertised on the website of the Authority, the website of the procuring agency, if any, and in at least two national daily newspapers of wide circulation, one in English and one in Urdu.

Civil Defence office Mandi Bahauddin incurred an expenditure of Rs. 1.279 million during the financial year 2015-16 on account of procurement of miscellaneous items as detailed below:

Sr. No	Description	Vendor Name	Invoice No.	Amount
1	LED lights different types, boat carrier, boat stand	Green traders	1977 dated 19-08-2015	1,045,863
2	LCD, DC Pin coper, ties, BNC pin	-do-	24 dated 19-10-15	49,987
3	Cameras, adaptors etc.	Green traders	Nil- Dated 23-10-15	32,760
4	CCTV camera installation charges	Advance trading Corporation	Nil- 29-12-15	10,596
5	RJ .11, motor, electric wire	-do-	26 dated 28-12-15	47,736
6	Electric wire, fiber sheet and steel stand	-do-	27 dated 26-12-15	42,354
7	RJ 11, BNC etc.	-do-	25 dated 21-12-15	49,327
<b>Total</b>				<b>1,278,623</b>

Audit observed the following irregularities:



1. Advertisement was not floated on the authority's web site as no record to this effect was available
2. All the procurements were made in piece meal without quotation were also not obtained.

Audit holds that due to mis procurement, fair competition among the bidders and competitive rates could not be achieved.

Audit observation was issued on 09-08-2019 but no reply was furnished by the management.

No DAC meeting could be arranged till finalization of this report despite repeated reminders.

Audit recommends that responsibility for irregular purchase of miscellaneous items may be fixed on the person(s) at fault.

(PDP#448 - CDO M. Bahauddin FY 2018-19)

#### **2.4.7 Mis-procurement of walk through gates - Rs. 2.773 million**

Rule 38 of Punjab Procurement Rules provides that in single stage two envelopes bidding procedure the bid shall be a single package consisting of two separate envelopes, containing separately the financial and the technical proposals. The envelopes shall be marked as "Financial Proposal" and "Technical Proposal". In the first instance, the "Technical Proposal" shall be opened and the envelope marked as "Financial Proposal" shall be retained unopened in the custody of the procuring agency. The procuring agency shall evaluate the technical proposal in the manner prescribed in advance, without reference to the price and shall reject any proposal which does not conform to the specified requirements. During the technical evaluation no amendments in the technical proposal shall be permitted. After the evaluation and approval of the technical proposals, the procuring agency shall open the financial proposals of the technically accepted bids, publicly at a time, date and venue announced and communicated to the bidders in advance, within the bid validity period. The financial bids found technically nonresponsive shall be returned unopened to the respective bidders. The lowest evaluated bidder shall be awarded the contract

Civil Defence office, Pakpattan incurred an expenditure of Rs 2.773 million during the financial year 2016-17 on account of procurement of Walk through gates from M/S Sage-Tech International, Karachi. Audit observed that single stage two envelope processes was followed for procurement. The procurement opportunity was advertised in the newspaper on 02-09-2016 and opening date was fixed as 20-09-2016. District Coordination Officer constituted a purchase committee headed by him and a technical committee headed by System Network Administrator Pakpattan as senior technical member. Purchase committee opened the bids on 20-09-2016 and unanimously decided that financial proposal will be opened on 27-09-2016. Chairman purchase committee instructed to District Officer Civil Defence that he may direct the technical committee to submit technical report upto 24-09-2016. A meeting of technical committee was held on 24-09-2016 to evaluate technical bids. The committee minutely checked all the technical bids and found that all technical offers were according to required specifications. So, it was unanimously decided in the meeting to accept all the bids offered by three firms. Meeting of the purchase committee was held on 27-09-2016 to open and evaluate the financial bids. The rates offered by three firms were as under:

Sr. No	Name of Firm	Item	Rate	Qty	Amount
1	M/S Abdullah Electronics Lahore	CS-5000+ Garret USA	412,000	6	2,475,000
		Multi zone high quality A grade CEIA China	195,000	6	1,170,000
2	M/S Sage Tech International	HI-PE Multi Zone CEIA Italy	462,150	6	2,772,900
3	Orient Energy System (Pvt) Ltd	Ranger 2 zones	413,399	6	2,480,398

As per purchase committee Minutes M/S Sage Tech International was lowest for single zone walk through gate, whereas, M/S Abdullah Electronics Lahore was the lowest for multi zone and procurement was made from M/S Sage Tech International.

Audit observed that rates offered by M/S Abdullah Electronics Lahore were lowest and his rates were Rs.1,170,000 and Rs. 2,475,000 for Multi zone high quality A grade CEIA China and for CS-5000+ Garret USA respectively. But purchases were not made from him on technical specification basis. Audit further noticed that

approval of the austerity committee for procurement was also not obtained as is not available in the record.

Audit holds that once financial bids have been opened after detailed evaluation of technical bids then procuring agency should only consider the prices and procurement requires to be done with lowest evaluated bidder.

Audit holds that procurement in violation of rules stands irregular and resulted into loss of Rs.1,302,900 (2,772,900-1,170,000).

Initial audit observation was issued on 13-09-2019 but no reply was furnished by the management.

No DAC meeting could be arranged till finalization of this report despite repeated reminders.

Auditor recommends that matter may be inquired to fix the responsibility on the person (s) at fault besides making the loss good under intimation to audit.

(PDP#516 - CDO Pakpattan FY 2018-19)

#### **2.4.8 Irregular purchase of security items - Rs. 1.016 million**

Rule 12 of Punjab Procurement Rules provides that the procuring agency shall advertise procurement of more than one hundred thousand rupees and up to the limit of two million rupees on the website of the Authority in the manner and format specified by regulations but if deemed in public interest, the procuring agency may also advertise the procurement in at least one national daily newspaper. However, any procurement exceeding two million rupees shall be advertised on the website of the Authority, the website of the procuring agency, if any, and in at least two national daily newspapers of wide circulation, one in English and one in Urdu.

Civil Defence office Pakpattan incurred an expenditure of Rs. 1.016 million during the financial year 2014-15 on account of procurement of security items as detailed below:

Sr#	Date	Vendor	Item	Rate	Qty	Amount
1	13/01/2015	Sage Tech International	Security Walkthrough Gate	448,110	1	448,110
2	01/04/2015	Ateeq Corporation	Fax Machine (Panasonic)	23,400	1	23,400
3	31/03/2015	Japan Traders	Wireless Set with Accessories	72,825	2	145,650
4	31/03/2015	Japan Traders	Wireless Set Walkie Talkie, Kenwood	35,000	6	210,000
5	18/03/2015	Ateeq Corporation	Metal Detector US made	17,433	10	174,330
6	03/02/2015	Kawneer Brothers	Digital Camera Canon	14,391	1	14,391
<b>Total</b>						<b>1,015,881</b>

Audit observed the following irregularities:

- Fax machine and digital camera which were not mentioned in the advertisement were procured.
- As per comparative statements 5 firms offered their rates in response to the advertisement. However, bids of only two firms i.e. Japan Traders and Shirazi Trading Company (Private) Limited were available in record. Bids of the remaining 3 firms were not produced.

Audit holds that in the absence of complete record audit could not authenticate the procurement of security items.

Audit observation was issued on 13-09-2019 but no reply was furnished by the management.

No DAC meeting could be arranged till finalization of this report despite repeated reminders.

Audit recommends that matter may be inquired to fix the responsibility on the person (s) at fault besides provision of the record to proceed further.

(PDP#517 - CDO Pakpattan FY 2018-19)

#### **2.4.9 Irregular purchase and mis-use of Toyota Hilux Vigo - Rs. 3.618 million**

Rule 12 of Punjab Procurement Rules provides that the procuring agency shall advertise procurement of more than one hundred thousand rupees and up to the limit

of two million rupees on the website of the Authority in the manner and format specified by regulations but if deemed in public interest, the procuring agency may also advertise the procurement in at least one national daily newspaper. However, any procurement exceeding two million rupees shall be advertised on the website of the Authority, the website of the procuring agency, if any, and in at least two national daily newspapers of wide circulation, one in English and one in Urdu.

Civil Defense office District Sialkot purchased a Toyota Hilux Vigo Champ-V double cabin at a cost of Rs. 3.618 million during financial year 2015-16. Audit observed that relevant documents showing the procedure adopted for procurement was neither attached with voucher nor furnished separately. Further, the vehicle since its purchase remained under the use of Deputy Commissioner Sialkot instead of Civil Defence Office.

Audit holds that in the absences of relevant record, the procurement of vehicle was in violation of the above stated rules. Audit further maintains that the usage of vehicles by the Deputy Commissioner, Sialkot is contrary to financial propriety.

Audit observation was issued to the management on 30.09.2019 but no reply is received.

No DAC meeting could be arranged till finalization of this report despite repeated reminders.

Audit recommends that the matter may be inquired to fix the responsibility against the person (s) at fault.

(PDP#610 - CDO Sialkot FY 2018-19)

### **Irregularities-Management of accounts with banks**

#### **2.4.10 Un-authorized opening of DDO bank accounts and retention of balances - Rs. 2.048 million**

Rule 9(1) of Punjab Treasury Rules states that a Government servant may not, except with the special permission of the Government, deposit in a Bank money withdrawn from the Consolidated Fund or the Public Account of the Province under the provisions of Section VII of these rules.

Further, Rule 2.2 of Punjab Subsidiary Treasury Rule states that Account sanctioned under Treasury Rule 9 must be opened with an office of the State Bank of Pakistan or with a branch of a Bank acting as its agent, according to the convenience of the officer opening the account. Where there is no office of the State Bank of Pakistan or branch of a bank acting as its agent, an account may be opened with the Post Office Savings Bank or, with the previous approval of the Government, with any other bank.

Civil Defence Offices at District Toba Tek Singh, Jhang and Pakpattan maintained their DDO accounts and an amount of Rs. 2.048 million was lying as closing balance as on 30<sup>th</sup> June, 2019, as detailed below:

<b>Account Title</b>	<b>Bank</b>	<b>Account No</b>	<b>Balance as on 30.06.19 (Rs)</b>
CDO T. T. Singh PLS accounts	NBP	3002521950	1,345,000
Civil Defence office Jhang	NBP	4059538693	202,788
D. C/Control C. Defence Jhang	NBP	4035386160	83,038
CDO Pakpattan	BOP	6010171954000010	417,628
<b>Total</b>			<b>2,048,454</b>

Audit observed that these accounts were opened without the prior approval of the Finance Department of the Government of the Punjab. Further the account of CDO Toba Tek Singh was profit bearing and earned an amount of Rs. 21,799 as interest/profit during the period of 16th January 2013 to 30th June 2019.

Audit is of the view that due to weak financial discipline and internal controls, designated account in the names of DDOs were opened unauthorizedly.

Audit observation was issued on 20-07-2019. The management replied that opening of DDO bank account is under process and closing balance will be deposited in the related head.

Reply is not satisfactory as without any documentary evidence.

No DAC meeting could be arranged till finalization of this report despite repeated reminders.

Audit recommends that matter may be inquired besides the closing balances may be deposited into government treasury under intimation to audit.

## **Others - Service delivery issues**

### **2.4.11 Non-conducting of physical verification of stores/stock items**

Para 15.16 of Punjab Financial Rules Vol-I provides that a physical verification of all stores must be made at least once in every year. A certificate of verification of stores with its results should be recorded whenever such a verification is carried out.

Audit observed that the store inspection and physical verification of assets was not carried out as prescribed in the rules in Civil Defence offices at District Toba Tek Singh, Jhang, Mandi Bahauddin and Pakpattan.

Audit is of the view that non-conducting physical verification of assets and stores is serious violation of rules and creates a chance of pilferage of stores items and assets.

Audit observations were issued in the month of August and September, 2019. CDO Toba Tek Singh replied that physical verification of assets and stores has been carried out and copy is enclosed. CDO Jhang replied that physical verification of assets is under process. No reply was furnished by CDO Mandi Bahauddin and Pakpattan

Reply is not satisfactory as physical verification as required was not carried out.

No DAC meeting could be arranged till finalization of this report despite repeated reminders.

Audit recommends that physical verification of assets and stores may be carried out and report may be shared with Audit.

(PDP#404, 431, 456, 525 - CDO TTS, Jhang, M. B. Din & Pakpattan FY 2018-19)

### **2.4.12 Non-preparedness to deal with emergencies**

According to Civil Defence Act 1952, Civil Defence Services means the services formed wholly or mainly to meet the needs of civil defence in peace and war time. Some of the services of Civil Defence includes flood rescue/ pre-flood

arrangements, bomb disposal functions for public safety, impart basic Civil Defence first aid, fire prevention training to general public / industrial / commercial concerns Government departments, schools and colleges and inspection of municipal fire brigades and fire protection measures in industrial / commercial concerns. Civil Defence also help Civil Administration in peace and war emergencies mainly through the voluntary warden service and its Raza Kars to control Muharram, Eid-Milad-ul-Nabi, Processions Elections / Strikes, of Polices, Doctors / Paramedics Railways, Transporters, Postal, Epidemics duty/ function as deemed appropriate by Government.

Audit observed that Civil Defence Offices at District Toba Tek Singh, Jhang, Mandi Bahauddin and Pakpattan were not fully prepared to perform their functions and to deal with emergencies. The following shortcomings were noticed:

- i. No Toll-free universal access number existed
- ii. No uniform had been prescribed for unique identification during emergency operation
- iii. No vehicle for fire / bomb disposal /emergency was available
- iv. No wireless communication service was available with the office to monitor online emergency operations
- v. Staff was not equipped with modern tools / machinery / training & technique to handle all kind of emergencies
- vi. Two instructors were working in the office to impart civil defence training but no multimedia or other equipment along with accessories was available.
- vii. No record was maintained for emergencies dealt by the department/office

Audit is of the view that the above-mentioned shortcomings signify that the department has no preparedness or not compatible to provide / meet emergency on 24/7 basis.

Audit observation was issued on 20-07-2019. The management replied that there is no emergency staff and emergency staff has posted only at divisional headquarters where emergency facilities are available. This office has now requested to the HQ for further necessary action.



No DAC meeting could be arranged till finalization of this report despite repeated reminders.

Audit recommends that a committee may be constituted to ascertain the need of the department for re-organization and re alignment as per present requirement.

(PDP# 399, 426, 454, 524 - CDO TTS, Jhang, M. B. Din & Pakpattan FY 2018-19)

## Chapter-3

### *Environment Protection Department Punjab*

#### **3.1 (A) Introduction of the Department**

After 18<sup>th</sup> Amendment in the Constitution of Islamic Republic of Pakistan 1973, the subject of Environment has been devolved to the provinces. Consequently, Punjab province has enacted Punjab Environmental Protection Act, 2012 and developed rules and regulations. Environmental Protection Agency Punjab is an attached organization working under administrative control of Environment Protection Department.

To ensure control, reduction and elimination of pollution in Punjab, a nucleus organization known as Environmental Pollution Control Organization (EPCO) was created in the year 1975 in the Public Health Engineering Department, Punjab. EPCO focused on some areas of the environment but detailed work and follow up was not possible due to its limited scope. On December 31, 1983 Under the Pakistan Environmental Protection Ordinance, a provision was made for the establishment of Provincial Environmental Protection Agency. In 1985, the Federal Government was requested to delegate powers of the Agency to the Housing Physical and Environmental Planning (HP&EP) Department. On July 1, 1987, Environmental Protection Agency (EPA), Punjab was formed. Punjab is the first province where an EPA was created in the best interest of citizens. The staff of the existing Directorate of EPCO was transferred to EPA, Punjab under the administrative control of the HP&EP Department.

On December 31, 1996, a separate administrative unit, Environment Protection Department (EPD) was formed under the Government of the Punjab. EPA Punjab was then detached from the HP&EP Department and now works as functional unit under the EPD, Punjab.

#### **(B) Comments on Budget & Accounts (Variance Analysis)**

(Rs in Millions)

<b>F.Y.</b>	<b>Budget</b>	<b>Expenditure</b>	<b>Balance</b>
2018-19	649.492	560.489	89.003

### ***Audit Profile of Environment Protection Department Punjab***

<b>Sr. No</b>	<b>Description</b>	<b>Total Nos</b>	<b>Audited</b>	<b>Expenditure Audited FY 2018-19 (Rs in million)</b>
1	Formations	47	12	266.850
2	Assignment Accounts (excluding FAP)		---	
3	Authorities/Autonomous Bodies/companies etc. under the PAO		---	
4	Foreign Aided Projects (FAP)	1	---	---

### **3.2 Classified Summary of Audit Observations**

Audit observations amounting to Rs. 106.098 million were raised as a result of this audit. This amount also includes recoverable of Rs 30.986 million. Summary of the audit observations classified by nature is as under:

<b>Sr. No</b>	<b>Classification</b>	<b>Amount</b>
1	Irregularities	<b>106.098</b>
A	HR/Employees related irregularities/internal controls	103.198
B	Procurement related irregularities	2.9
C	Management of Accounts with Commercial Banks	---
2	Value for money and service delivery issues	---
3	Others	---

### **3.3 Brief Comments on the Status of Compliance with PAC Directives**

Since this Directorate General conducted audit of Disaster Management organizations of Punjab during the Audit Year 2016-17, therefore, the Audit Reports have not yet been discussed in the PAC.

### **3.4 AUDIT PARAS**

#### **Non-Production of record**

##### **3.4.1 Non-maintenance of essential accounts Record**

Rule 2.33 of Punjab Financial Rules Vol I states that every Government servant should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part, and that he will also be held personally responsible for any loss, arising from fraud or negligence on the part of any other Government servant to the extent to which it may be shown that he contributed to the loss by his own action or negligence.

Audit observed that Environmental Protection Agency District Mandi Bahauddin did not maintain the essential accounts record as detailed below:

1. Monthly expenditure statements since inception of the office to financial year 2015-16.
2. Budget control register to oversee the head wise expenditure.
3. Monthly expenditure roll for DDO code of Environmental Protection Agency Mandi Bahauddin issued by District Accounts Office were not obtained for reconciliation and record purposes.
4. Cash book was not being maintained properly. Certificate at the start of the cash book regarding total number of pages was not recorded and signed by the DDO. Each recorded entry in is not initialed by the writer of the cash book and DDO. Monthly closing and balancing of receipt and expenditure is not done properly.

In the absence of essential record of expenditure/reconciliation statement audit was unable to verify the authenticity of expenditure incurred since inception (i.e. FY 2007-08) to FY 2015-16.

Audit observation was issued on 20-08-2019. The management replied that monthly expenditure statement is attached and budget register is available. Monthly expenditure role for DDO Code of EPA Mandi Bahauddin obtained from District Account Office Mandi Bahauddin and cash book is properly maintained.

Reply is not satisfactory as documentary evidence in support was not furnished.

No DAC meeting could be arranged till finalization of this report despite repeated reminders.

Audit recommends that matter may be inquired and responsibility may be fixed on the person(s) held responsible for non- maintenance of essential account record under intimation to audit.

(PDP#478 - EPA M B Din FY 2018-19)

### **Irregularities- HR/employees/Internal Control**

#### **3.4.2 Non-deposit of fine challan by the Punjab Environmental Tribunal into government treasury - Rs. 30.986 million**

Para 2.4 of the PFR Vol -1 provides that in the case of payments into the Treasury the Disbursing Officer should compare the Treasury Officer's receipt on the challans with the entry in the cash book before initialling it, and when such payments are appreciable, he should obtain from the Treasury a monthly list of payments which should be compared with the posting in the cash book.

Punjab Environmental Tribunal imposed fine of Rs 30.986 million during the FY 2011-12 to 2018-18 The detail is as under: -

<b>Sr.#</b>	<b>Years</b>	<b>No. of cases</b>	<b>Amount (Rs)</b>
1.	2012	22	1,000,000
2.	2013	311	10,720,000
3.	2014	197	5,400,000
4.	2015	96	5,400,000
5.	2016	97	2,680,000
6.	2017	19	460,000
7.	2018	4	1,700,000
8.	2019	11	3,625,500
<b>Total</b>		<b>757</b>	<b>30,985,500</b>

Audit observed that the amount of fine imposed amounting to Rs. 30.986 million was not deposited into the Government Treasury till the date of audit. Further, detail of the fine cases were not produced to audit to verify the recoverable amounts.

Audit is of the view that due to weak financial discipline and internal controls, the amount of fine imposed could not deposited timely into government treasury.

The matter was pointed out to the management on 26-09-2019 but no reply was furnished

No DAC meeting could be arranged till finalization of this report despite repeated reminders.

Audit recommends that matter may be inquired besides expediting the recovery Further, a mechanism be devised to ensure timely deposit of fine imposed.

(PDP#562 - PET Lahore FY 2018-19)

### **3.4.3 Non-reconciliation of expenditure with District Account Office - Rs. 5.483 million**

Rule 2.33 of Punjab Financial Rules Vol I states that every Government servant should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part, and that he will also be held personally responsible for any loss, arising from fraud or negligence on the part of any other Government servant to the extent to which it may be shown that he contributed to the loss by his own action or negligence.

Environmental Protection Agency Assistant Director (field) District Mandi Bahauddin incurred an expenditure of Rs.5.483 million during the financial year 2016-17 to 2018-19 as detailed below:

<b>Sr. No</b>	<b>Financial Year</b>	<b>Amount</b>
1	2016-17	1,152,552
2	2017-18	1,938,495
3	2018-19	2,392,232
<b>Total</b>		<b>5,483,279</b>

Audit observed that expenditure statements for 03 years (2016-17-2018-19) provided to audit were not prepared on the approved/standard format and excess

/surrender was not shown. Further, the expenditure statements were neither got verified from District Account Office nor monthly statement issued by the DAO for DDO was obtained to reconcile the figures under each head of account.

Audit is of the view that due to non-reconciliation of expenditure with DAO, chances of over/under booking of expenditure cannot be ruled out.

Initial audit observation was issued on 20-08-2019. The management replied that excess and surrender statement and monthly expenditure statement verified and attested by the District Accounts Office Mandi Bahauddin are attached.

Reply is not satisfactory as no relevant documents are furnished.

No DAC meeting could be arranged till finalization of this report despite repeated reminders.

Audit recommends that responsibility for improper maintenance and non-reconciliation may be fixed on the person(s) at fault besides making reconciliations with DAO under intimation to audit.

(PDP#477 - EPA Mandi Bahauddin FY 2018-19)

#### **3.4.4 Non-surrender of budget resulted in lapse of funds - Rs. 64.175 million**

According to para 3.3.12.6 of APPM all anticipated savings must be surrendered to the Government immediately as they are foreseen, but not later than 15<sup>th</sup> May each year. Savings from funds provided after 15<sup>th</sup> May must be surrendered not later than 30<sup>th</sup> June.

It was observed that Rs. 127,842,000 were released to EPA DD Development Lahore for development schemes against the budget allocation of Rs. 156,842,000 during FY 2017-18. The funds of Rs. 64,174,540 lapsed due to non-surrender of funds in time as detailed in **Annex-IX**. Further, the expenditure from the reconciliation statement and from the data retrieved from AG Office also do not reconcile.

The matter was pointed out to the management on 27.09.2019. In their reply dated 18.10.2019, the department stated that the observation is noted for compliance.

The DAC in its meeting held on 6<sup>th</sup> and 7<sup>th</sup> February, 2020 directed that the matter may be referred to Finance Department, Punjab for regularization.

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

(PDP#652 DD (Dev) EPA Lahore FY 2018-19)

### **3.4.5 Unauthorized expenditure without sanction of the competent authority - Rs. 1.290 million**

Rule 13.3 of PFR Vol-I the powers of the several authorities in the matter of incurring and sanctioning expenditure in respect of local funds administrated by Government are regulated by the following principles:" 1. As regards funds constituted by statute, powers of incurring and sanctioning expenditure will be regulated solely by the provisions of the statute. If the statute is silent on this point, the Government as the final administrative authority will have full powers of incurring and sanctioning expenditure and of delegating such powers. 2. As regards other funds the authority which constituted the fund will have full powers of incurring and sanctioning expenditure and of delegating such powers.

Rule 18.2 further provides that the extent to which powers to sanction expenditure have been delegated to the Administrative Departments, Heads of Departments and other subordinate authorities is given in "Delegation of Powers under Financial Rules and Powers of Re-appropriation Rules, 1962. According to Rule 17.2 (1) of the P.F.R Vol -1 states that there must be an act of sanction of an authority competent to sanction.

In DG EPA office, DG is the competent authority to sanction/ approved any type of expenditure. Whereas, AD Admin/ DDO himself accorded sanctions and incurred expenditure of Rs. 1,290,403 during financial year 2017-18 & 2018-19. The sanctioning authority was not delegated to any subordinate authority. The detail is attached at **Annex-X**.

Audit observed that instead of obtaining sanction from concerned HOD/DG, the Assistant Director/DDO himself accorded sanction and incurred expenditure of Rs. 1,290,403 during financial year 2017-18 & 2018-19.



Audit holds that sanctioning of expenditure by subordinate officers/DDOs without delegation of financial powers by PAO/HoD is unauthorized.

Audit observation to DG EPA was issued on 14.10.2019 respectively but no reply was furnished by the management.

No DAC meeting could be arranged till finalization of this report despite repeated reminders.

Audit recommends that the matter may be inquired and responsibility may be fixed on the person(s) responsible besides regularization.

(PDP#609 - EPA H/Q Lahore FY 2018-19)

### **3.4.6 Non-utilization of loan proceeds in PGDP resulting into commitment charge - US \$ 190,000**

Article II 2.02 of financing agreement with world bank stipulates that the maximum commitment charge rate payable by the recipient on the un-withdrawn financing balance shall be half of one percent per annum (1/2 X 1%). As per the component wise summary of Project Appraisal Document of WB PAD No. 124185-PK (6247-PK) PGDP, the expected disbursement is as following:

<b>Fiscal year</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Annual (in USD Millions)	38	57	45	38	22
Cumulative (in USD Millions)	38	95	140	178	200

Audit observed that as per financial phasing the management was required to utilize USD \$ 38 million. However, the management did not incur any expenditure, which resulted into commitment charges of USD \$ 190,000.

The matter was pointed out on 27.09.2019. The management replied that EPD submitted Umbrella PC-I of PGDP to P&D Department on 11.12.2018 for according the approval by PDWP. P&D Department submitted Umbrella PC-I to Ministry of Planning, Dev. & Reform on 14.12.2018 with the request to include it in the agenda of next meeting of CDWP. A Pre-CDWP meeting was held 07.02.2019 under the Chairmanship of Member (FS&CC). Chairman P&D Board, Govt. of the Punjab requested Secretary, EAD, Islamabad vide DO No. 3(51) ECA/P&D/2018 dated 25.04.2019 to formally advice approval of Program. EAD granted clearance of

Punjab Green Development Program (PGDP) vide No. 5(18) WB-III/17 dated 06.05.2019. P&D Board communicated the decision of EAD to EPD vide No. 2(1) PO (Env)/P&D/2018 dated 03.07.2019. In view of the above, schemes under Punjab Green Development Program (Credit No. 6247) could not be executed during F. Y 2018-19 as decision on Umbrella PC-I of Punjab Green Development Program was awaited from Economic Affairs Division (EAD). EAD communicated decision of Cabinet regarding approval of PC-I of P for R programs, received to EPA Punjab on 04.07.2019. In light of decisions of EAD, EPD Punjab has started execution of Punjab Green Development Program during F.Y 2019-20.

The reply is not cogent, as due to weak project management, no expenditure could be incurred which resulted into commitment charges.

In DAC meeting held on 6<sup>th</sup> and 7<sup>th</sup> February, 2020, the management apprised that the planning commission approved the concept paper of PGDP in its meeting dated 19.04.2018. The Umbrella PC-I was approved on by PDWP in meeting dated 13.11.2018. The Umbrella PC-I was submitted to ministry of Planning, dev. & Reforms through P&D Department Punjab on 14.12.2018. The Chairman P&D requested Secretary EAD for approval of PGDP. The decision of Economic Affairs Division (EAD) for grant of clearance was communicated on 03-07-2019 by the Planning & Development Board. The DAC directed that the para stands.

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

(PDP#646 - DD (Dev) EPA Lahore FY 2018-19)

### **Irregularities - Procurement**

#### **3.4.7 Irregular procurement of consultancy services from M/s NEC - Rs 2.9 Million**

Para 2.3.3 (Box 8) of Planning Manual of Government of Punjab issued in May, 2015, provides that the client department shall ensure that the consultant has adequate expertise to perform the assignment. In case of non-development funding, the client department may select the consultant / firm without having a PC-I/PC-II. However, TORs may be cleared from the P&D Department.

According to Government of Punjab S&GAD letter No. SO(CAB-i)2-9/2015 dated 02.03.2017, Rule 46-A of the Punjab PPRA Rules-2014 provides that the firm of consultants in short consultancy for purposes such as third party validation, bid evaluation, terms of reference, preparation of documents relating to prequalification and request for proposal, pre shipment inspection, audit, simple engineering design or supervision of non-complex work can be selected by considering at least three quotation for renowned registered and well reputed firms on the basis of qualification and experience for the assignment for consultancies having cost not exceeding 3 million rupees.

It was observed that Environment Protection Department identified the need to hire a consultant in order to gather data available in public domain to draw meaningful results which can be used for mitigating and combating pollution load from industries in textile (processing and spinning), leather, pulp & paper and sugar industry in Punjab. Before procuring the consultancy services, the department approved the ToRs for the said consultancy on 10.04.2017 and obtained expression of interest from five consultants through direct contract. The proposed consultancy was of Rs. 3 million.

Out of the 5 consultants, 3 consultants submitted technical and financial proposals to the EPD. The financial bid of M/s NEC Consultants private limited was lowest and the contract was signed on 28.04.2017. As per the contract agreement, the inception report was to be submitted within 10 days of signing of the contract against which 30% of the consultancy fee would be released. The remaining 70% will be released in two tranches of 30% and 40% upon submission of draft report and final report respectively within 35 days. The period of consultancy laid down in contract was from 2<sup>nd</sup> May to 30<sup>th</sup> September, 2017.

Audit observed that:

- M/s NEC Consultants submitted its claim for release of first tranche against inception report submitted in June, 2017 which was due in May, 2017 and no justification for delay of said report was available in the record.
- The contract was expired on 30.09.2017 and the second payment was made after the expiry of the contract.

- The final report which was due to be submitted before the expiry of the contract is still not submitted despite lapse of considerable time. No efforts have been made by the department to obtain these reports from the consultant and neither any penal action has been taken against the consultant for inordinate delay in the deliverables.
- The procurement of consultancy by way of direct contracting is a violation of PPRA Rules.
- The TORs of the consultant were required to be approved from P&D Department which was not done.

The matter was pointed out to the management on 10.10.2019 and no reply is received from the management so far.

No DAC meeting could be arranged till finalization of this report despite repeated reminders.

Audit recommends that the matter be investigated to fix the responsibility on the persons at fault besides providing the approved report to audit for verification.

(PDP#552 - Secretary, EPD Lahore FY 2018-19)

### **Irregularities-Management of accounts with banks**

#### **3.4.8 Un-authorized opening of DDO bank accounts and retention of balances therein.**

Rule 9(1) of Punjab Treasury Rules states that a Government servant may not, except with the special permission of the Government, deposit in a Bank, money withdrawn from the Consolidated Fund or the Public Account of the Province under the provisions of Section VII of these rules.

Further, Rule 2.2 of Punjab Subsidiary Treasury Rule states that Account sanctioned under Treasury Rule 9 must be opened with an office of the State Bank of Pakistan or with a branch of a Bank acting as its agent, according to the convenience of the officer opening the account. Where there is no office of the State Bank of Pakistan or branch of a bank acting as its agent, an account may be opened with the Post Office Savings Bank or, with the previous approval of the Government, with any other bank.

Environmental Protection Agency Assistant Director (field) Jhang and Pakpattan were maintaining a DDO bank account as detailed below:

<b>Account Title</b>	<b>Bank</b>	<b>Account No</b>	<b>Balance as on 30.06.19 (Rs)</b>
DO Environment Jhang	NBP	4035391412	150
DO Environment Pakpattan	NBP	4015120984	68

Audit observed the following irregularities:

- Opening of accounts and their operation without prior approval of Finance Department is unauthorized.
- Cash books for the aforesaid accounts were not maintained.

Audit observations to EPA Jhang and Pakpattan were issued on 26-07-2019 and 12-09-2019 respectively. EPA Jhang replied that DDO account of District Environment office, Jhang was opened after due approval and directions of higher authorities of EPA Punjab. The grant of permission letter is attached. So, this matter pertains to EPA head office, Lahore. No reply was furnished by EPA Pakpattan.

Reply is not plausible as approval of F.D was not obtained.

No DAC meeting could be arranged till finalization of this report despite repeated reminders.

Audit recommends that matter regarding opening of bank accounts without prior approval of Finance Department may be inquired besides the closing balances may be deposited into government treasury under intimation to audit.

(PDP#435, 532 - EPA Jhang & Pakpattan FY 2018-19)

### **Others- Performance related issued**

#### **3.4.9 Non-achievement of targets resulting into wastage of funds**

The ADP Scheme titled “Capacity Building of EPA Punjab including for enforcement of environment standards in Punjab including combined effluent treatment plants and industrial estates” under J&C Program financed through world bank was approved in January 2017 with Gestation Period of Jan-17 to Jun, 2018.

The scheme was further extended upto June 2019. The brief objectives of the scheme are at **Annex-XI**.

Audit observed that:

- 22 personnel were hired for EMC on market-based salaries and were let go in June, 2018 upon expiry of gestation period. Their replacements could not be recruited during the extension period upto June, 2019.
- The expenditure amounting to Rs. 4,182,000 against allocation of Rs.226,019,000 resulted into non-utilization of Rs. 221.837,000 during FY-2018-19. Whereas, during FY-2017-18, Rs. 98,842,000 were allocated, against which Rs. 63,474,558 were utilized and Rs. 35,367,442 were lapsed.
- The ICT solutions developed under the scheme to restructure the working, operation and reporting are still not being operationalized and resulted into the wastage of funds and time.
- The consultant was required to prepare Inception report for restructuring of EPD, gap analysis report (system, human resource, environmental laws, PET), restructuring report, plan for environmental monitoring, environmental laboratories, SOPs for environmental sampling, provisions of IT Solutions. The deliverables were required to be vetted through international advisor/consultant (requirement of PC-II), who could not be hired as none of the contending consultants met the criteria. The condition of International consultant was relaxed in revised PC-II, but the matter is still pending.

Audit holds that:

- The hiring of staff for EMC on market-based salaries did not prove to be a viable solution as the department not only failed to retain them but also drained the corresponding knowledge, expertise resulting in the wastage of funds. Instead the department should design the schemes in such manner that either the hired staff is carried forward or schemes are executed through indigenous staff.
- The weak financial progress and lapse of funds indicates weak financial management of EPA Authorities.

- The non-utilization of ICT solutions resulted into wastage of funds and opportunity to timely computerize the EPA's file tracking, lab reporting, complaint management and environment approval systems.
- The scheme failed to achieve its objectives despite extension of time and expenditure so incurred was wasted, as no outcome of the scheme was witnessed during FY 2018-19.
- The scheme was not designed keeping in view the ground realities and executing environment which led to wastage of time, non-hiring of consultant, resulting in non-achievement of overall objective of restructuring EPD.
- The payment of salaries Rs. 4.182 million during FY 2018-19, led to the wastage of funds as no activity was performed during the period under this scheme.

The matter was pointed to the management 27.09.2019. In their reply dated 18.10.2019, the management stated that: -

- EMC staff was recruited with the approval of competent forum i.e. PDWP / Finance Department. EPD utilized their services till the approved gestation period i.e. 30.06.2018. Later on, gestation period of project was extended with the approval of PDWP. Department has made advertisement of vacant posts of EMC. Recommendation of audit regarding hiring of EMC is noted for compliance.
- Weak financial progress is due to complex nature of project. Department will make payments to consultants after its satisfactions on deliverables to avoid loss to public money.
- Department has not made payment of ICT solutions to consultant because approval / vetting of ICT deliverable is in process. Therefore, there is no loss of public money. ICT solutions proposed by the consultant will be implemented after necessary approval / vetting from Third Party.
- Project will be completed after achieving desired objectives. Review / approval process of deliverables is not completed yet. Therefore, funds could not be utilized during F.Y 2018-19. However, funds were timely surrendered to Finance Department.

- Scheme was designed with detailed gap analysis of EPA/ EPD gaps. Approval of re-structuring report submitted by the consultant is in process and will be implemented accordingly.
- Payment of salaries to project staff was made with the approval of P&D Department. Staff of SP&IU has provided its services for review of consultant deliverables, preparation of revised PC-II etc. SP&IU staff has also performed their duties on Punjab Green Development Program.

The reply is not convincing, as the same do not answer the observations raised by audit.

The DAC in its meeting held on 6<sup>th</sup> and 7<sup>th</sup> February, 2020 directed that the matter may be probed by administrative department with the view to fix responsibility on the person(s) responsible for wastage of time and funds.

Audit recommends that the outcome of inquiry may be shared with audit.

(PDP#648 - DD (Dev) EPA Lahore FY 2018-19)

#### **3.4.10 Wastage of Government funds due to non-completion of bio-diversity Park - Rs 80 million**

The agreement of consultancy Service between IUCN and EPD was signed on 22.03.2010 for an amount of Rs. 80 million. The payment was to be made in three stages i.e. advance payment on signing of agreement (20%), after one month (42.5%), after six months (25%) and fourth installment of 12.5% after completion of work. The addendum-I to agreement was signed on 18.03.2014, where the scope of work was revised/ reduced, and the amount of contract was increased from 80 million to 92.982 million with a completion time of 30.06.2014. The revised schedule of payment in five stages was introduced and at that stage 70 million was already paid to IUCN. The addendum II to agreement for consultancy services was signed on 07.02.2015 with completion date of 31.03.2015. The revised schedule of payment in six stages was introduced and the consultant was already paid Rs. 80 million (four installments). As per scheme five parks were to be made in total out of which one was dropped in the beginning and three parks were constructed.

It was observed that:



- During the preparation/ approval of PC-IV, the M&E wing visited the fifth park in Murree Bio-diversity Park and showed its reservations in the Minutes dated 10.07.2013 on the structure of building erected in the park. As per the last amendment to the contract, all four payments had been made to IUCN except the last one. The rectifications /improvements suggested by M&E are still pending.
- The Gestation Period of the scheme was upto June, 2016. Later PC-I Gestation Period extend upto June, 2018. The Funded scheme was reflected upon commitment of EPD in June, 2019. The funds were surrendered in 25 March, 2019.
- The Secretary EPD decided that IUCN would submit plan of action to complete the project by 30.06.2019 and no extension will be granted beyond this deadline.
- The payment mechanism/ process was never linked with the progress of the project and except the last two installments, the consultant had always been paid the rest of the installments.
- The consultant was not specialized in construction works.

Audit holds that:

- Non-linking of financial progress to physical progress led to undue delay and apparent failure of the project.
- The department had no security/ leverage against the poor performance of the consultant and failed to get the work done despite several revisions/ amendments and extensions.
- The time-over run, non-achievement of objectives and non-completion of scheme after timely payment showed weak monitoring of EPA over IUCN and project activities, which needs to be investigated besides penalizing IUCN and getting the remaining work done at the earliest.

The matter was pointed on 27.09.2019. The management replied that IUCN is a non-profit organization therefore, department is resolving all the issues in coordination with P&D Department. Revisions in PC-I were due to change of scope and cost. Project will be completed during FY 2019-20.

The reply is not convincing, as the same do not answer the observations raised by audit.

The DAC in its meeting held on 6<sup>th</sup> and 7<sup>th</sup> February, 2020 directed that the matter may be probed by administrative department with the view to fix responsibility for non-completion of scheme after considerable lapse of time and use of funds.

Audit recommends that the outcome of the inquiry may be shared with audit besides completing the scheme at the earliest.

(PDP#649 - DD (Dev) EPA, Lahore FY 2018-19)

### **3.4.11 Weak planning resulting into non-rationalization, non-revision and non-development of PEQS and industry specific standards**

The PC-II for scheme titled Rationalization, revision and development of EQS and industry specific standards was submitted in January 2017 and approved in February, 2017 with gestation period of 18 months upto June, 2018 with an estimated cost of Rs. 29.793 million. The TORs of the study included to develop 59 industrial specific standards, rationalize, update and revise existing standards of PEQS and develop new ones in seven areas.

Audit observed that:

- In order to hire the services of the consultant advertisement was published on 25.04.2017 to invite EOI. Resultantly, five firms applied submitted EOI. Out of five firms, three firms qualified and RFP were issued. The RFPs were received from two consultants and the third M/s ECSP refused to submit due to non-availability of International consultant. Upon scrutiny, the Consultant Selection Committee decided on 22.01.2018 that none of the firm qualified as they failed to obtain required marks of 65. The CSC decided to revise the TORs, as the local consultants were not able to provide such services in the past.
- Against the budget allocation of Rs. 15,000,000, Rs. 7,500,000 were released and the same were lapsed during FY 2017-18. During FY 2018-19, the scheme was adopted by PGDP, with the objective to hire core team of 5 international and 4 national (local consultants) for the task. An allocation of

Rs. 20,000,000 was released and the funds were surrendered due to zero utilization.

Audit holds that:

- EPA did not complete its homework before initiating the scheme which led to the wastage of two and half years.
- The financial resources were tied up every year and remained un-utilized by the end of the year. Also, the funds were not surrendered in time during the year 2017-18 and led to lapse of Rs. 7,500,000.
- Due to non-completion of scheme the industry specific standards could not be developed even after a lapse of 2 and 1/2 years since approval of scheme. This led to prevalence of existing standards which are identical for different set of industries and already causing problems during vigilance and enforcements.
- The hiring of four national consultants of this scheme in PGDP Program implies that EPA did not learn from its experience as the schemes could not be completed due to non-expertise of local consultants. The condition of local consultant may be relaxed to avoid similar delays in the future.

The matter was pointed out to the management on 27.09.2019. In their reply dated 18.10.2019, the department stated that the observation is noted for compliance.

The DAC in its meeting held on 6<sup>th</sup> and 7<sup>th</sup> February, 2020 directed that the matter of lapsed funds during FY 2017-18 may be regularized from Finance Department, Punjab along with funds in Para 7 of DDO Development. Further, the matter may be probed by administrative department with a view to fix responsibility for non-completion of scheme after considerable lapse of time and tying up funds every year.

Audit holds that the matter may be taken up with FD, Punjab besides sharing outcome of the inquiry report with audit.

(PDP#650 - DD (Dev) EPA Lahore FY 2018-19)

### **3.4.12 Wastage of time due to weak planning for Hudiara Drain Study resulting into zero outcome and no action against the housing societies and industrialists polluting the drain**

EPA Punjab executed an ADP Scheme titled “Study for Most Feasible Treatment for Hudaira drain waste since financial year 2014-15”. The purpose of the project was to conduct a study to arrive at a solution for treatment of Hudaira drain waste water with full knowledge of technical and institutional options available and an estimation of the cost and benefits of the treatment.

Audit observed that the scheme was approved in the PDWP meeting held on 20.10.2014 at a cost of Rs.21.32 million and gestation period was 2 years. The consultant selection committee in its meeting held on 07.04.2015 approved the consultant pre-qualification criteria. The notice for EOI was published in newspaper on 13.07.2015 with a closing date of 27.07.2015 and five firms submitted EOIs. The meeting of the was CSC held on 15.02.2016, 04 firms were declared qualified and RFPs were issued to them on 18.02.2016. Two firms pointed out shortage of time for submission of RFPs. The time for submission of RFPs was extended upto 30.04.2016. The consulting firms expressed concerns about short duration and limited financial resources for conducting study. Hence, no RFP was received by EPA Punjab. This resulted into zero utilization in financial year 2015-16.

The revised PC-II at a cost of Rs. 38.22 million with gestation period from 2016 to 2019 was submitted to P&D Department on 04.01.2017. The scheme was discussed in 56<sup>th</sup> PDWP meeting dated 24.02.2017. PDWP deferred the project and the EPD was advised to submit revised PC-II after making corrections in the calculations and consult the reports prepared by WASA and WWF Pakistan. EPD consulted both the departments to obtain the study conducted and came to know that no such study was ever conducted. The released funds to the tune of Rs.15 million and 7.5 million for the FY-2016-17 and 2017-18 respectively were not utilized as the scheme was kept un-approved.

The scheme was dropped in financial year 2018-19 and the Secretary, EPD directed to put up the list of all commercial entities responsible for pollution of drain and its tributaries. The list included housing societies disposing untreated waste water and industrial units without waste treatment disposal water into the drain. The list was

put up to the Secretary EPD and it was directed that the societies were given 10 days' notice and the industrial units were given 30 days' notice to take the remedial measures in the prescribed time failing which the extra time will only be given against surety bonds and other commitments.

Audit holds that:

- The scheme was dropped at the end of FY 2018-19 after a lapse of four years for no apparent reasons and funds were remained tied-up.
- list approved by the Secretary EPD of housing societies and industrial units polluting the drain, was neither found in record nor produced to audit.
- No record pertaining to the serving of notices to housing societies and industrial units as a result of Secretary EPD's orders, was produced to audit neither by EPA nor by Deputy Directorate EPA, Lahore.

The matter was pointed on 27.09.2019. The department replied that EPD Punjab issued letters to WASA and Irrigation Department on 22.03.2017 and 19.04.2017 respectively to obtain study report regarding Hudiara Drain. They informed that no such studies have been conducted by these departments. The matter was discussed in P&D Department on 09.08.2018. It was explained that Technical Assistance (TA) for study of revitalization of Eco-System of River Ravi had been approved by ADB and a firm M/S Hagler & Bailly Pakistan had also been selected by ADB to carry out the study. It was decided that scheme titled "Study for most feasible treatment option for Hudiara Drain Wastewaters" will be linked with TA of ADB for revitalization of Eco-System of River Ravi Basin. Later on, the Administrative Department decided to discontinue / drop this ADP scheme in its meeting held on 25.09.2018.

The reply is not convincing as not addressing the complete observation raised by audit.

The DAC in its meeting held on 6<sup>th</sup> and 7<sup>th</sup> February, 2020 directed that the matter of non-issuance of notices to housing societies and industrial units despite written instructions of Secretary, EPD, Punjab, may be shifted to EPA, HQ and be probed by administrative department with a view to fix responsibility on P&C Wing

of EPA. Further, the matter may be probed by administrative department with a view to fix responsibility for non-completion of scheme after considerable lapse of time and tying up funds every year.

Audit recommends that the outcome of the inquiry report may be shared with audit to proceed further in the matter.

(PDP#651 - DD (Dev) EPA Lahore FY 2018-19)

### **3.4.13 Effluence and emission of sugar mill posing serious threats to human life and flora & fauna of the region**

Section 16 of Punjab Environmental Protection Act (PEPA) provides that where the provincial Agency is satisfied that the discharge or emission or any effluent, waste, air pollutant or noise, or the disposal of waste, or handling of hazardous substance or any other act or omission is occurring, in violation of any provision of this Act, rules or regulations or of the conditions of a license, and causing an adverse environmental effect, the provincial Agency may after giving the person responsible, an opportunity of being heard, by order, direct such person to take such measures as the Agency may consider necessary. Section 16 (3) further provides that if the person to whom directions are given does not comply with, the Agency may in addition to the proceeding initiated against him under this Act or the rules and regulation, itself take or cause to be taken such measures specified in the order as it may deem necessary, and may recover the costs of taking such measures from such person as arrears of land revenue.

Audit observed in Environmental Protection Agency Office District Toba Tek Singh that Muhammad Zeshan s/o Mian Muhammad Afzal resident of Tehsil Kamalia submitted a complaint on 06.02.2018 to the Environmental Protection Department Lahore regarding legal action against Two Star Sugar Industries Unit-1. The complainant stated that Two Star Industries Distillery and top gas plant Kamalia is accused of causing pollution hazards, and the local inhabitants are facing highly alarming air and underground water pollution that has led to the outbreak of many deadly diseases including weakening of lungs functions, birth defects, immune system defects, cardiovascular problems, neurobehavioral disorder, tuberculosis, cancer, etc. and also causing barren the adjacent land. The obnoxious odor of stagnant waste water pools coupled with release of toxic material and gases emission

into environment which adversely affect the life of the surrounding areas. The bulk of the effluent solid wastes from these industrial units have been dumped nearby the local abjadi into open land causing severe damage to flora and fauna. The discharge of waste water from sugar mill, distillery and top gas plant without proper treatment is undeniably heinous offence.

Audit also noticed that another person Mr. Hassnain Nawaz Bajwa submitted complaint on 11-01-2018 against the Two Star Mill in Provincial Ombudsman Lahore regarding the same pollution issues and waste water. Ombudsman filed the complaint on 20-03-18 and stated that Environmental Agency (local) collected the Laboratory results of samples and have sent to head office of EPA Lahore. And the Agency keeping in view the result of laboratory will submit the case in Environmental Tribunal.

Environmental Protection Agency Lahore issued notice to the Mill for personal hearing under section 15 of PEP Act 1997 on 19-03-2018 for various stated violations.

Audit noticed that the applicant Mr. Zeeshan filed the Writ Petition in March 2018, against the Mill in Lahore High Court Lahore on the same grounds of environmental offences.

Audit holds that the Agency failed to resolve the issues and the complainant lodged the petition in High Court. Later outcome of the case is not available in the record. Further Ombudsman also filed the petition as the water samples and its laboratory results have been forwarded to the Headquarter for further filing of suit in Environmental Tribunal. But neither laboratory sample results nor record regarding initiation of case in Tribunal was available with office. Further EIA approval and NOCs for mill's construction as well as operational phase are also not available.

Audit observation was issued on 22-07-2019 but no reply was furnished by the management.

No DAC meeting could be arranged till finalization of this report despite repeated reminders.

Audit recommends that responsibility may be fixed on the person(s) at fault besides taking corrective measures under intimation to audit.

### 3.4.14 Follow-up of EPA directions regarding hospital waste management

Section 16 of PEPA provides that where the provincial Agency is satisfied that the discharge or emission of any effluent, waste, air pollutant or noise, or the disposal of waste, or handling of hazardous substance or any other act or omission is likely to occur, or is occurring or has occurred, in violation of any provision of this Act, rules or regulations or of the conditions of a license, is causing an adverse environmental effect, the provincial Agency may after giving the responsible person an opportunity of being heard, by order, direct such person to take such measures as the Agency may consider necessary within such period as may be specified in the order.

Section 16 (3) further provides that if the person to whom directions are given does not comply with, the Agency may in addition to the proceeding initiated against him under this Act or the rules and regulation, itself take or cause to be taken such measures specified in the order as it may deem necessary, and may recover the costs of taking such measures from such person as arrears of land revenue

Audit observed from the record of Environmental protection agency district Toba Tek Singh that some hospitals were violating the hospital waste management rules 2005. Hospital waste was not segregated and infectious material is being disposed of un-hygienically which have a serious health hazard and bad impact on environment. EPA issued site inspection reports, personal hearing notices and Environmental Protection Orders (EPO) for such violations. But the compliance of these orders was not ensured. The detail is as under:

Sr. No	Hospital Name	Status
1	THQ hospital Tehsil Gojra Dist. Toba Tek Singh	EPA forwarded the SIR to its Head Office Lahore on 25-07-2009. After that, personal hearing notice and Environmental Protection Order was not issued to concern. Further, neither compliance was ensured nor environmental proceeding was initiated in the Tribunal.



2	Lahore Dental Clinic. Gojra Dist. Toba Tek Singh	Environmental Production Order was issued on 05-07-2012. Later on, compliance was not ensured by the department as no record to this effect is available in the record.
3	Mohsin Medical Complex, The. Kamalia Dist. Toba Tek Singh	EPA forwarded the Site Inspection report to Headquarter Lahore vide letter dated 25.02.2017, but neither compliance was ensured nor EPO was issued and case was initiated in Environmental Tribunal.
4	Foundation Hospital, Rajana Teh. & District Toba Tek Singh	As per record 2 <sup>nd</sup> notice of personal hearing was issued on 02-02-2010. After that neither compliance was ensured nor EPO was issued and proceeding was initiated in Environmental Tribunal.
5	DHQ hospital Teh. & District Toba Tek Singh	As per record Environmental Production Order was issued on 26-04-2019. No further development was ensured by the department.

Audit holds that non-ensuring compliance of the directions given in inspection reports and Environmental Protection Orders is an offence and shows ill performance and non-professional attitude of the Agency. Further it led to non-compliant behaviors of the industrial/commercial concerns/clients towards the Environmental Protection Agency.

Audit observation was issued on 22-07-2019 but no reply was furnished by the management.

No DAC meeting could be arranged till finalization of this report despite repeated reminders.

Audit recommends that responsibility may be fixed on the person(s) at fault for non-pursuance besides active pursuance and disposing off the cases under intimation to audit. It is further recommended that every prescribed step may be initiated within the given timeline.

(PDP#412 - EPA TTS FY 2018-19)

### **3.4.15 Non-compliance of EPA's directions regarding offences affecting environment**

Section 16 of PEPA provides that where the provincial Agency is satisfied that the discharge or emission of any effluent, waste, air pollutant or noise, or the disposal of waste, or handling of hazardous substance or any other act or omission is likely to occur, or is occurring or has occurred, in violation of any provision of this Act, rules or regulations or of the conditions of a license, or is likely to cause, or is causing , or has caused an adverse environmental effect, the provincial Agency may after giving the person responsible for such discharge, emission, disposal, handling, act or omission an opportunity of being heard, by order, direct such person to take such measures as the Agency may consider necessary within such period as may be specified in the order.

Section 16 (3) further provides that if the person to whom directions are given does not comply with, the Agency may in addition to the proceeding initiated against him under this Act or the rules and regulation, itself take or cause to be taken such measures specified in the order as it may deem necessary, and may recover the costs of taking such measures from such person as arrears of land revenue.

Audit observed from the record of Environmental protection agency District Toba Tek Singh that Site Inspection Reports, personal hearing notices and Environmental Protection Orders were issued to various poultry farms regarding poultry farms waste management. But the compliance of these orders was not ensured. Similarly, in Environmental protection agency District Jhang, Site Inspection Reports and certain orders were issued to various rice mills regarding environmental issues. But the compliance of these orders was not ensured.

In Environmental protection agency District Mandi Bahauddin, audit selected 05 rice mills and observed that as per SIR, the mills were not disposing off the husk properly. Infectious waste is also being produced but mills have no proper disposal mechanism. Mills were located in residential area and operational activities are affecting and deteriorating the living environment and posing serious threats to health and lives. It was recommended that strict legal action may be initiated for violation of section 11 of the Act. Site Inspection Reports of these mills were forwarded to Headquarter Lahore on 08-03-2017. No further action was taken thereafter. Audit

selected 10 poultry farms in Environmental protection agency District Mandi Bahauddin and observed that Site Inspection Reports and Environmental Protection Orders were issued to poultry farms regarding poultry farms waste management. But the compliance of these orders was not ensured. Audit holds SIRs were issued in April, 2010 and EPOs were issued in December, 2010 but neither compliance was ensured nor any further proceedings were initiated against the defaulters.

In Environmental protection agency District Pakpattan office, audit selected 05 cold stores on sample basis for detail scrutiny and observed that Site Inspection Reports, personal hearing notices and Environmental Protection Orders were issued to these stores for violation of Section-11 regarding discharge of emissions and effluents in excess of the (Punjab) Environmental Quality Standards. Detail of all above mention industries is attached at **Annex-XII**.

Audit holds that non-ensuring of compliance of the Inspection Reports and Environmental Protection Orders was an offence and shows ill performance and non-professional attitude of the Agency. Further it led to non-compliant behaviors of the industrial/commercial concerns/clients towards the Environmental Protection Agency.

Audit observations were issued in the month of August and September, 2019. No reply was furnished by the EPA T.T Singh and Pakpattan. EPA Jhang replied that in compliance of direction contained in EPO, the owner of Subhan Allah Rice Mill submitted the case for Approval. During IEE review, the proponent was asked to provide requisite information but due to non-response case is pending at EPA H/Q. Moreover, the said unit is not in operational form for last three year. The management of M/S Mukarram Rice Mills has got Environmental Approval for construction phase but after that it was remained closed and still not operational due to financial problems. Further this office initiated legal proceeding against M/S Abbas Enterprises and prepared detail Site Inspection Report to EPA H/Q. In response of SIR Personal Hearing Notice was issued. The owner of said unit redressed the public complaint by making arrangements for proper collection of rice husk/dust which was source of nuisance. EPA Mandi Bahauddin replied that this office has forwarded the Site Inspection Reports to the Directorate of P&C EPA Lahore for further action as per law. The matter relates to the EPA Head Office Lahore.

Reply is not satisfactory as no documentary evidence regarding current status was furnished. Further no further action has been taken since long.

No DAC meeting could be arranged till finalization of this report despite repeated reminders.

Audit recommends that responsibility may be fixed on the person(s) at fault for non-pursuance besides active pursuance and disposing off the cases under intimation to audit. It is further recommended that every prescribed step may be initiated within the given timeline.

(PDP#413, 438,484, 485, 549 - EPA TTS, Jhang, M B Din & Pakpattan FY 2018-19)

### **3.4.16 Non-maintenance of data base of industrial units and commercial concerns**

Rule 03 of National Environmental Quality Standards (Self-Monitoring and Reporting by Industry) Rule, 2001 provides that all industrial units shall be responsible for correct and timely submission of Environmental Monitoring Reports to the Agency. Rule 04 further provides that on the basis of the pollution level of an industrial unit, the Director-General shall classify the unit into category “A”, “B” or “C” for liquid effluents, and category “A” or “B” for gaseous emissions.

Audit observed in the office of Environmental Protection Agency Assistant Director (field) District Toba Tek Singh no detail of industrial units located in District’ jurisdiction was available with office. Further these units were not classified into different categories for liquid effluents and gaseous emissions as required under the rules.

Audit holds that due to non-maintenance of the industrial unit’s database, Environmental Agency is not be in a position to closely monitor the activities and process of the units with respect to environmental issues.

Audit observations to EPA T.T Sing, Jhang, Mandi Bahauddin and Pakpattan were issued on 22-07-2019, 20-08-2019, 12-09-2019 respectively.

No reply was furnished by EPA T.T. Sing. EPA Jhang replied that categorization of industries has already been done. EPA Mandi Bahauddin replied that proper data of the industrial units in the district has been maintained

No DAC meeting could be arranged till finalization of this report despite repeated reminders.

Audit recommends that responsibility for non-maintenance may be fixed besides taking corrective measures.

(PDP#415, 440,487, 541 - EPA TTS, Jhang, M B Din & Pakpattan FY 2018-19)

### **3.4.17 Non-maintenance of separate registers for Initial Environmental Examination (IEE) and Environmental Impact Assessment (EIA)**

Section 12 (7) of Punjab Environmental Protection Act provides that the Provincial Agency shall maintain separate registers for initial environmental examination and environmental impact assessment of the project, which shall contain brief particulars of each project and a summary of decisions taken thereon, and which shall be open to inspection by the public at all reasonable hours and the disclosure of information in such registers shall be subject to the restrictions specified in sub section.

Pakistan Environmental Protection Agency Review of Initial Environmental Examination and Environmental Impact Assessment Regulations, 2000 provides that separate Registers shall be maintained by the Agency for IEE and EIA projects under sub-section (7) of section 12 in the form set out in Schedule VIII.

Audit observed that separate registers for initial environmental examination and environmental impact assessment of the project were not maintained by EPA HQ Lahore, Environmental Protection Agency Assistant Director (field) at District Toba Tek Singh, Jhang, Mandi Bahauddin and Pakpattan.

Audit holds that separate registers for IEE and EIA is the initial prime record of the projects and non-maintenance thereof is violation of the Environmental Protection Act and regulations framed there under.

Audit observations to EPA HQ, Toba Tek Sing, Jhang, Mandi Bahauddin and Pakpattan were issued on 14-10-19, 22-07-19, 26-07-19, 20-08-19 and 12-09-2019 respectively. No reply was furnished by EPA HQ and EPA Toba Tek Sing. EPA Jhang replied that a combine register for all Environmental Approval cases was maintained in this office. Now, as per audit observation separate registers for all categories have been maintained properly. EPA Mandi Bahauddin replied that

IEE/EIA is being submitted by the proponent, requiring Environmental Approval. Proper Record/Register is maintained by the EPA Head Office Lahore or Commissioner Gujranwala of all the projects, obtaining Environmental Approval. No reply was furnished by the management of EPA Pakpattan

Reply is not satisfactory as no documentary evidence in support was furnished.

No DAC meeting could be arranged till finalization of this report despite repeated reminders.

Audit recommends that responsibility for non-maintenance may be fixed besides taking corrective measures.

(PDP#595, 417,442, 489, 543 - EPA HQ, TTS, Jhang, M B Din & Pakpattan FY 2018-19)

### **3.4.18 Non-maintenance of essential environmental record**

According to Environmental Protection Agency Punjab Lahore notification no.190 F-07/Dir (Admin)/EPA/17 dated 18-09-2017 DG EPA delegated powers upon each DD (Field) and AD (field) incharge of a District powers to pass an order under section 16(1) of the Act. According to notification following record requires to be maintained by each field office as per format set out in the appendices.

1. Register of environmental site inspection reports (Appendix C)
2. Register of compliance status reports (Appendix F)
3. Record of environmental complaints received (Appendix G)
4. Record of environmental complaints filed in the court of Law
5. Monthly progress report on environmental orders issued and disposed (Appendix H)

Audit observed that above mentioned record was not being maintained by the offices of Environmental Protection Agency Assistant Director (field) District Toba Tek Singh, Jhang, Mandi Bahauddin and Pakpattan. Audit holds that non-maintenance of essential record is irregular.

Audit observations to EPA Toba Tek Sing, Jhang, Mandi Bahauddin and Pakpattan were issued on 22-07-2019, 26-07-2019, 20-08-2019 and 12-09-2019

respectively. No reply was furnished by the EPA Toba Tek Sing. EPA Jhang and Mandi Bahauddin replied that all separate registers have been maintained properly. However, no reply was furnished by EPA Pakpattan.

Reply is not satisfactory as no documentary evidence in support was furnished.

No DAC meeting could be arranged till finalization of this report despite repeated reminders.

Audit recommends that responsibility for non-maintenance may be fixed besides taking corrective measures.

(PDP#418,443, 490, 544 - EPA TTS, Jhang, M B Din & Pakpattan FY 2018-19)

### **3.4.19 Failure to enforce authority vested with EPA**

According to section 12 of Punjab Environmental Protection Act 1997 no proponent of a project shall commence construction or operation unless he has filed with the Provincial Agency an initial environmental examination or where the project is likely to cause an adverse environmental effect, an environmental impact assessment, and has obtained from the Agency approval in respect thereof.

Regulation 18 of Pakistan Environmental Protection Agency Review of Initial Environmental Examination and Environmental Impact Assessment Regulations, 2000 provides that after issue of an approval, the proponent shall submit a report to the Agency after completion of construction of the project. After issue of confirmation of compliance, the proponent shall submit an annual report summarizing operational performance of the project, with reference to the conditions of the approval and maintenance and mitigation measures adopted for the project.

Audit observed that 64 industrial /commercial units were working in the District jurisdiction of EPA Toba Tek Singh (as per list provided). Out of these 64 units, 26 units obtained NOCs for construction phase and started the work but later on not applied/obtained NOC for operational phase as required under regulation and 29 commercial units not even obtained the NOC for Constructions Phase. In EPA District Jhang and Mandi Bahauddin, 73 and 114 industrial units respectively were established after the promulgation of Punjab Environmental Protection Act 1997.

These industrial units were required to obtain NOCs from the Environmental Protection Agency after approval of IEE/ EIA but are running without NOCs.

Similarly, in District Pakpattan, EPA had provided a list of 140 industrial /commercial units in the District jurisdiction which were established after the promulgation of Punjab Environmental Protection Act 1997. Audit noticed that out of these units 63 units obtained NOCs for construction phase and started the work but later on not applied/obtained NOC for operational phase as required under regulations. And 77 commercial units not even obtained the NOC for Constructions Phase.

Non-obtaining prior approval/NOCs for construction and operational phase was against the Act and regulations framed there under. Agency was required to take immediate action against these industrial units for non-submission of Initial Environmental Examination (IEE) and Environmental Impact Assessment (EIA) and operating without NOCs.

Audit holds that non-implementation of the environmental protection measures by the Department is irregular.

Audit observations were issued in the month of August and September, 2019. No reply was furnished by the management of EPA Toba Tek Singh and Pakpattan. EPA Jhang replied that some units were established before promulgation of Environmental Act, some units have been closed and legal actions have been taken for remaining units. EPA Mandi Bahauddin replied that Site Inspection Reports have been forwarded to the Directorate of P&C EPA Lahore for further action as per law.

Reply is not plausible as no action has been taken against the industrial units which are running without environmental NOCs.

No DAC meeting could be arranged till finalization of this report despite repeated reminders.

Audit recommends that responsibility for non-pursuance may be fixed besides initiating corrective measures.

(PDP#419, 441,488, 542 - EPA T.T.S, Jhang, M.B. Din & Pakpattan FY 2018-19)



### 3.4.20 Non-resolving of environmental issues of sugar mills regarding effluence and emission

Section 16 of PEPA provides that where the provincial Agency is satisfied that the discharge or emission of any effluent, waste, air pollutant or noise, or the disposal of waste, or handling of hazardous substance or any other act or omission is likely to occur, or is occurring or has occurred, in violation of any provision of this Act, rules or regulations or of the conditions of a license, or is likely to cause, or is causing , or has caused an adverse environmental effect, the provincial Agency may after giving the person responsible for such discharge, emission, disposal, handling, act or omission an opportunity of being heard, by order, direct such person to take such measures as the Agency may consider necessary within such period as may be specified in the order.

Section 16 (3) further provides that if the person to whom directions are given does not comply with, the Agency may in addition to the proceedings initiated against him under this Act or the rules and regulation, itself take or cause to be taken such measures specified in the order as it may deem necessary, and may recover the costs of taking such measures from such person as arrears of land revenue.

Audit observed that Environmental Protection Orders (EPO) were issued by EPA District Jhang to various sugar mills for different violations. However, compliance of these orders/directions was not ensured. The detail is as under:

<b>Sr. No</b>	<b>Sugar Mill Name</b>	<b>Status</b>
1	M/S Shakar Ganj Sugar Mill(pvt) Ltd. Unit No.02 Distillery Plant	An environmental protection order (EPO) was issued on 26-12-2018 and directed to take measures to treat industrial liquid effluent and sewage in conformity with Punjab Environmental Quality Standards and install proper air pollution abatement equipment to control smoke, ash and gaseous emissions. Stop dilution of wastewater by fresh water mixing in order to reduce concentration of pollutant. No further action was taken till 30 <sup>th</sup> June 2019 to ensure compliance.

2	M/S Shakar Ganj Sugar Mill(pvt) Ltd. Unit No.01	As per Site Inspection Report (SIR) dated 28-01-2019, untreated waste water of mill and its distillery plant is being collected in un paved lagoons in the premises of said mill and disposed of improperly. Waste water sample report analysis BOD, COD, TDS, TTS and Chloride are exceeding the limits as per Punjab Environmental Quality Standards. As per EPA Jhang letter dated 07-02-2019 an EPO was previously issued and the management has not complied with the directions contained in EPO. After that EPA Jhang forwarded the matter to its head office vide letter dated 28-03-2019. No further development was forthcoming from the record.
3.	M/S Haq Bahoo Sugar Mills Pvt. Limited	An Environmental Protection Order (EPO) was issued to the mill on 07-09-2018. It was directed in the order to install waste water treatment plant and take remedial measures to install proper air pollution control system to control smoke, ash, particulate matter and gaseous emissions. EPA Jhang forwarded compliance status of the EPO on 04-02-2019 stated therein that management has not complied with the directions contained in EPO. No further action was taken against the violator.

Audit holds that non-ensuring of compliance of the approval's conditions and directions of Inspection Reports and EPOs is an offence and shows ill performance and non-professional attitude of the Agency. Further it led to non-compliant behaviors of the industrial/commercial concerns/clients towards the Environmental Protection Agency.

Audit observation was issued on 26-07-2019. The management replied that as per law, Compliance of Environmental Protection Order (EPO) or any direction issued to any industrial unit can only be checked when the concerned unit is in operation. The EPO issued to Shakargang Mill unit -II was received on 22-01-2019 and delivered to the management on 02-02-2019. As per direction compliance of EPO checked after expiry of mitigation period of thirty days. But the unit was closed in start of March 2019 due to which Compliance Status Report (CSR) was not verified and is still pending. Moreover, in next crushing season same will be checked and submitted to EPA H/Q. As far as Shakargang Mill unit -I and M/S Haq Bahoo Sugar

Mills is concerned, this office visited the said sugar mills to check Compliance Status Report(CSR) of earlier issued EPO which has already been prepared along with Lab report and forwarded to the Deputy Director(R&I) EPA Punjab, Lahore So, this office has completed the legal action against the said unit to the extent of district level. Now, the matter is pending at EPA Head office, Lahore.

Reply is not satisfactory as legal actions against this mill are still pending.

No DAC meeting could be arranged till finalization of this report despite repeated reminders.

Audit recommends that responsibility may be fixed on the person(s) at fault besides taking corrective measures under intimation to audit.

(PDP#436 - EPA Jhang FY 2018-19)

### **3.4.21 Non-ensuring the conditions of environmental approvals and directions of site inspection reports against flour mills**

Section 16 of PEPA provides that where the provincial Agency is satisfied that the discharge or emission of any effluent, waste, air pollutant or noise, or the disposal of waste, or handling of hazardous substance or any other act or omission is likely to occur, or is occurring or has occurred, in violation of any provision of this Act, rules or regulations or of the conditions of a license, or is likely to cause, or is causing , or has caused an adverse environmental effect, the provincial Agency may after giving the person responsible for such discharge, emission, disposal, handling, act or omission an opportunity of being heard, by order, direct such person to take such measures as the Agency may consider necessary within such period as may be specified in the order. Section 16 (3) further provides that if the person to whom directions are given does not comply with, the Agency may in addition to the proceeding initiated against him under this Act or the rules and regulation, itself take or cause to be taken such measures specified in the order as it may deem necessary, and may recover the costs of taking such measures from such person as arrears of land revenue.

In Environmental Protection Agency District Jhang audit observed that environmental approvals were granted to the flour mills subject to certain conditions. Further, Site Inspection Reports and EPOs were issued by the Department to various

flour mills. Audit observed that compliance of directions was not ensured. The detail is as under:

Sr. No	Flour Mill Name	Status
1	M/S Surrya Flour Mill	Environmental Protection Agency Punjab issued environmental approval for construction phase of the project on 20-08-2014. The approval was accorded subject to certain conditions mentioned therein which include that proponent of the project shall ensure compliance of National Environmental Quality Standards. But compliance was not ensured by the Department. Further proponent has not obtained approval for operational phase.
2	M/S Iqbal Flour Mills	The Site Inspection Report (SIR) of the firm was forwarded to the headquarter on 14-01-2013. It was stated in the report that unit was polluting the environment by discharging untreated water into open land. The value of BOD, COD and TTS exceeds the NEQS. Therefore, action may be taken against the violator. No action was taken thereafter against the violator to ensure compliance.

Audit holds that non-ensuring compliance of the approval's conditions and directions given in Inspection Report was an offence and showed ill performance and non-professional attitude of the Agency. Further it led to non-compliant behaviors of the industrial/commercial concerns/clients towards the Environmental Protection Agency.

Audit observation was issued on 26-07-2019. The management replied that after obtaining Environmental Approval M/S Surrya Flour Mill was never operational and remained closed due to murder of mill owner. So, this office is unable to check the compliance status. Anyhow, this unit shall be kept under observation and as soon as the operational activities shall start, its SIR shall be forwarded to quarters concerned. Further, in response of public complaint this office has initiated legal proceeding against M/S Iqbal Flour Mills and submitted detail Site Inspection Report to EPA H/Q. In response of SIR personal hearing notice was issued to said unit. The

owner of said unit redressed the public complaint by making arrangements for proper drainage system instead of disposing effluents into open land near complainant house

Reply is not satisfactory as personal hearing notice was issued in 2013 and no evidence was provided regarding compliance status.

No DAC meeting could be arranged till finalization of this report despite repeated reminders.

Audit recommends that matter regarding non-pursuance may be inquired to fix the responsibility besides active pursuance and disposing off the cases under intimation to audit. It is further recommended that every prescribed action may be initiated within the stipulated timelines.

(PDP#437 - EPA Jhang FY 2018-19)

### **3.4.22 Non-obtaining of NOCs for operational phases**

According to section 12 of Punjab Environmental Protection Act 1997 no proponent of a project shall commence construction or operation unless he has filed with the Provincial Agency an initial environmental examination or where the project is likely to cause an adverse environmental effect, an environmental impact assessment, and has obtained from the Agency approval in respect thereof.

Regulation 18 of Pakistan Environmental Protection Agency Review of Initial Environmental Examination and Environmental Impact Assessment Regulations, 2000 provides that after issue of an approval, the proponent shall submit a report to the Agency after completion of construction of the project. After issue of confirmation of compliance, the proponent shall submit an annual report summarizing operational performance of the project, with reference to the conditions of the approval and maintenance and mitigation measures adopted for the project.

In Environmental Protection Agency Assistant Director (field) District Jhang department has provided a list of 110 industrial /commercial units in the District jurisdiction. Audit observed that 42 units obtained NOCs for construction phase and started the work but later on not applied/obtained NOC for operational phase as required under regulations. Similarly, as per list provided by EPA Mandi Bahauddin, 51 industrial/commercial units obtained NOCs for construction phase and started the work but later on none of them applied/obtained NOC for operational phase as

required under regulation. Moreover, in DD Environment Sialkot 39 industrial / commercial units commenced operations before the approval of Deputy Directorate Environment Sialkot in violation of the provisions of the above regulation.

Audit holds that non-obtaining prior approval/NOCs for operational phase is against the Act and regulations framed there under. Further Agency has also not initiated any action against these units for such violations.

Audit observations to EPA Jhang, Mandi Bahauddin and Sialkot were issued on 26-07-2019, 20-08-2019 and 04.10.2019 respectively. EPA Jhang replied that legal actions have been taken against these units. EPA Mandi Bahauddin replied that this office is issuing notices to all units having already obtained Environmental Approval to move the case for Environmental Approval for Operation Phase. EPA Sialkot replied that the proponents have obtained environmental approval for construction/operation phase of the projects from EPA, Punjab. These NOCs are issued for a period of three years for construction and operation and proponent may install these units earlier or within three years. If construction or installation is completed before or within three years then he may apply for operation phase and EPA may issue NOC earlier than three years if construction is completed.

Reply is not satisfactory as no action has been taken so far against these units.

The DAC in its meeting held on 6<sup>th</sup> and 7<sup>th</sup> February, 2020 only discussed the audit observations of EPA Sialkot directed that the administrative department may probe the matter of non- action against the offenders by concerned wings of EPA Headquarter (P&C Wing and EIA Wing) with a view to fix the responsibility on person(s) at fault. The Para stands till compliance of Rule-17 of IEE/EIA Regulations 2000 and delegations of powers for environment approvals vide notification No. SO(Tech)/EPD/1-26/2004 dated 15.06.2017. Further, the DAC directed that the cases pertaining to EPA Headquarter and Commission of relevant division pointed out by audit may be separately identified (if necessary) and the required action be initiated/ taken under intimation to audit.

No DAC meeting could be arranged on audit paras EPA Jhang and Mandi Bahauddin till finalization of this report despite repeated reminders.

Audit recommends that responsibility for non-pursuance may be fixed besides taking corrective measures.

(PDP# 444, 491, 660 - EPA Jhang, M B Din & DD (Env) & Sialkot FY 2018-19)

### **3.4.23 Non-conducting internal audit of the department and physical verification of stores/stock items**

According to Govt. instructions issued, vide notification No. SOE-II (P&D) 1-15/07 dated 2<sup>nd</sup> February 2007, the Internal Auditor of the department shall exercise all budgetary and financial controls under the framed rules and the best practices prescribed by the Government.

Audit observed that the store inspection and physical verification of assets was not carried out as prescribed in the rules in the offices of Environmental Protection Agency Assistant Director (field) District Jhang, Mandi Bahauddin and Pakpattan. Further the internal audit of the accounts was required to be conducted by the Internal Auditor who shall prepare annual internal audit report also required under clause-18(2) of the said notification. Audit noticed that internal audit of the office was not conducted as no report to this effect is produced to audit.

Audit is of the view that non-conducting physical verification of assets and stores and non-carrying out the internal audit is serious violation of rules and creates a chance of pilferage of stores items and assets.

Audit observations to EPA Jhang, Mandi Bahauddin and Pakpattan were issued on 26-07-2019, 20-08-2019 and 12-09-19 respectively. EPA Jhang replied that Physical verification report is attached and request for conducting internal audit has been forwarded to head office. EPA Mandi Bahauddin replied that certificate of Physical Verification of assets and stores has been made on the stock register and internal audit will be conducted in future. no reply was furnished by EPA Pakpattan.

Reply is not satisfactory as physical verification as required was not conducted.

No DAC meeting could be arranged till finalization of this report despite repeated reminders.

Audit recommends that physical verification of assets and stores and internal audit may be carried out and report may be shared with Audit.

(PDP#445, 446, 492, 493, 547, 548 - EPA Jhang, M B Din & Pakpattan FY 2018-19)

### **3.4.24 No action against the mill for effluence and emission posing serious threats to environment**

Section 16 of PEPA provides that where the provincial Agency is satisfied that the discharge or emission of any effluent, waste, air pollutant or noise, or the disposal of waste, or handling of hazardous substance or any other act or omission is likely to occur, or is occurring or has occurred, in violation of any provision of this Act, rules or regulations or of the conditions of a license, or is likely to cause, or is causing, or has caused an adverse environmental effect, the provincial Agency may after giving the person responsible for such discharge, emission, disposal, handling, act or omission an opportunity of being heard, by order, direct such person to take such measures as the Agency may consider necessary within such period as may be specified in the order.

Section 16 (3) further provides that if the person to whom directions are given does not comply with, the Agency may in addition to the proceedings initiated against him under this Act or the rules and regulation, itself take or cause to be taken such measures specified in the order as it may deem necessary, and may recover the costs of taking such measures from such person as arrears of land revenue.

In Environmental Protection Agency District Mandi Bahauddin, audit observed that Site Inspection report of M/S Shah Taj Sugar Mills Tehsil & District Mandi Bahauddin was forwarded to EPA headquarter Lahore on 30.04.2018. As per SIR, no proper scientific mechanism /device is installed to control the air emissions during the operational activity. No proper mechanism is adopted for disposal of solid waste generated during operations. No treatment plant is installed for treatment of waste water effluents generated during operational activities. It was recommended in the SIR that the Sugar mill may be directed to install the treatment plant for air/gaseous emissions, disposal of solid waste and waste water effluents.

Further Environmental Protection Agency Punjab Analytical laboratory Gujranwala vide its letter dated 20-04-2018 issued test certificates. According to



certificates of waste water analysis the values of PH, BOD, VOD, TDS and TSS exceeds the Punjab Environmental Quality Standards limits. AD Environment Mandi Bahauddin vide its letter dated 17-10-2018 intimated and once again requested to Environmental Protection Agency Lahore that management of Shah Taj Sugar Mill may be directed to install treatment plant for the disposal of ash particles, waste water effluents and air emissions. Another test/analysis was conducted and Analytical laboratory Gujranwala vide its letter dated 02-01-2019 issued test certificates. According to certificates of waste water analysis the values of PH, BOD, VOD, TDS and TSS exceeds the PEQS limits.

Audit further noticed that Assistant Director Environment Mandi Bahauddin forwarded the test reports to Headquarter Lahore vide its letter dated 12-02.2019. it was mentioned in the letter that personal hearing notice was also issued to the mill on 30-05-2018 and after that undersigned has requested so many times to finalize the proceedings by issuing Environmental Protection Order but no response was given. And it was once again requested to issue the EPO and complete the proceedings against the Mill.

Audit holds that SIR and test analysis were conducted in April 2018 which recommended that the Mill is violating the Pakistan Environmental Quality Standards. But no action has been taken so far till audit date i.e.30<sup>th</sup> June 2019 against the mill. Non-ensuring compliance of recommendations given in inspection report/ laboratory analysis reports/personal hearing notices is negligence and shows non-professional attitude of the Agency. Further it led to non-serious behaviors of the industrial/commercial concerns/clients towards the Environmental Protection Agency and results in further violations in future.

Audit observation was issued on 20-08-2019. Management replied that the Directorate of P&C EPA Lahore has issued the Environmental Protection Order to M/s Shah Taj Sugar Mills on 05.08.2019.

Reply is not satisfactory as no justification for delay in proceeding was provided.

No DAC meeting could be arranged till finalization of this report despite repeated reminders.

Audit recommends that responsibility may be fixed on the person(s) at fault for non-pursuance besides active pursuance and disposing off the cases under intimation to audit. It is further recommended that every prescribed action may be initiated within the stipulated timelines.

(PDP#483 - EPA M B Din FY 2018-19)

### **3.4.25 Non-resolving of environmental issues of rice mills regarding effluence and emission**

Section 11 of Punjab Environmental Protection Act provides that no person shall discharge or emit or allow the discharge or emission of any effluents or waste or air pollutant or noise in an amount, concentration or level which is in excess of the (Punjab) Environmental Quality Standards.

Section 16 further provides that where the provincial Agency is satisfied that the discharge or emission of any effluent, waste, air pollutant or noise, or the disposal of waste, or handling of hazardous substance or any other act or omission is likely to occur, or is occurring, in violation of any provision of this Act, rules or regulations or of the conditions of a license, or is causing , an adverse environmental effect, the provincial Agency may after giving the person responsible an opportunity of being heard, by order, direct such person to take such measures as the Agency may consider necessary within such period as may be specified in the order.

Audit selected 05 rice mills on sample basis in Environmental protection agency District Pakpattan for detail scrutiny. It was observed that Site Inspection Reports, personal hearing notices and Environmental Protection Orders were issued to these mills for violation of Section-11 regarding discharge of emission and effluents in excess of the (Punjab) Environmental Quality Standards as detailed below:

<b>S. No</b>	<b>Name of Rice Mill</b>	<b>Current Status</b>
1.	M/S Ganj Shaker rice mills, Sahiwal road, Pakpattan	Partial Compliance Status Report regarding earlier issued EPO for violation of sec. 11 was sent to head office vide No. 8183 dated 16-01-2016.
2.	M/S Jalandhar rice mill, Qbola road, Teh. Arif wala	Site Inspection Report for violation of 11 was sent to EPA-HQ Lahore vide no. 4500 dated. 25-01-19
3.	M/S Sheikh Brothers, rice mill, 14 Arif wala Pakpattan.	Nil Compliance Status Report of earlier issued EPO under sec. 11 was sent to head office vide No. 7908 dated 24-11-2015
4.	M/S Shehzad Abad rice mill, Burewala road A.wala.	Personal hearing notice for violation of sec. 11 was issued vide no. 167 dated 06-09-2016
5.	M/S Makkah rice mill, Jamal Chowk, Pakpattan.	Site Inspection Report for violation of sec. 11 sent to head office vide 636 dated 27-01-2015.

Audit holds that Environmental Protection Agency had taken its last action against 80% mills in 2015-16. No further action was taken till 30<sup>th</sup> June, 2019 even after lapse of about 3 to 4 years and mills were continuously polluting the environment with discharge of effluents and emissions.

Audit holds that non-ensuring of compliance of direction given in inspection reports and Environmental Protection Orders was an offence and shows ill performance and non-professional attitude of the Agency. Further it led to non-compliant behaviors of the industrial/commercial concerns/clients towards the Environmental Protection Agency.

Audit observation was issued on 12.09.2019 but no reply was furnished by the management.

No DAC meeting could be arranged till finalization of this report despite repeated reminders.

Audit recommends that responsibility may be fixed for non-pursuance besides disposing off the cases under intimation to audit. It is further recommended that every prescribed step may be initiated within the given timeline.

(PDP#545 - EPA Pakpattan FY 2018-19)

### **3.4.26 Non-according of environment approvals in prescribed time**

Section 12 (4) of PEPA stipulates that the Provincial Agency shall communicate its approval or otherwise within a period of four months from the date the initial environmental examination or environmental impact assessment is filed complete in all respects in accordance with the prescribed procedure, failing which the initial environmental examination or, as the case may be, the environmental impact assessment shall be deemed to have been approved, to the extent to which it does not contravene the provisions of this Act and the rules and regulations made thereunder.

Regulation 15 of Review of IEE/ EIA 2000 stipulates that the four-month period for communication of decision stipulated in sub-section (4) of section 12 shall commence from the date of filing of an IEE or EIA in respect of which confirmation of completeness is issued by the Federal Agency under clause (a) of sub-regulation (1) of Regulation 9.

It was observed that the environment approvals were accorded in more than the time prescribed under the provisions above in the following cases detail attached at **Annex-XIII**.

The matter was pointed out to the management on 14.10.2019 and no reply is received from the management so far.

No DAC meeting could be arranged till finalization of this report despite repeated reminders.

The matter of delayed approval needs to be inquired and responsibility be fixed on the person(s) responsible.

### **3.4.27 Invalid environment approval after lapse of three years**

Section 17 (1) of PEPA amended 2012 provides that the approval accorded by Agency under section 12 read with Regulation 12 shall be valid, for commencement of construction, for a period of three years from the date of issue.

Section 17 (4) stipulates that the proponent may apply to the Agency for extension in the validity periods mentioned in sub-regulations (1), (2) and (3), which may be granted by the Agency in its discretion for such period not exceeding three years at a time, if the conditions of the approval do not require significant change: Provided that the Agency may require the proponent to submit a fresh IEE or EIA, if in its opinion changes in location, design, construction and operation of the project so warrant.

It was observed that the approvals given for the cases detailed at **Annex-XIV** become invalid as the period of three years passed.

Audit holds that:

- the record is silent as to whether the proponents applied for fresh approval.
- no effort was made by EPA to visit the site of the project to ensure that the proponent did not commenced operational activity. Whether, the construction was commenced at the site and to what extent it was completed.

The matter was pointed out to the management on 14.10.2019 and no reply is received from the management so far.

No DAC meeting could be arranged till finalization of this report despite repeated reminders.

Audit recommends that the matter may be inquired as to why the sites have not been visited by the field staff, besides sharing the current status of physical progress of the instant cases.

### **3.4.28 Irregular issuance of environmental approvals**

Section 12 (1) stipulates that no proponent of a project shall commence construction or operation unless he has filed with the Provincial Agency an initial environmental examination or where the project is likely to cause an adverse environmental effect, an environmental impact assessment, and has obtained from the Provincial Agency approval in respect thereof.

Section 17(7) of PEPA Act (amended 2012) stipulates that Where the Director-General of the Provincial Agency is of the opinion that a person has contravened any provision of this Act, he may, subject to the rules, by notice in writing to that person require him to pay to the Provincial Agency an administrative penalty in the amount set out in the notice for each day the contravention continues; and a person who pays an administrative penalty for a contravention shall not be charged under this Act with an offence in respect of such contravention.

It was observed that the proponents of different project given at **Annex- XV** commenced construction before the approval of EPA in violation of the provisions of the act. EPA issued environmental approvals without taking any action against the proponents. The issuance of approvals after the commencement/ completion of construction, without any action against the offenders are irregular and tantamount to undue favor.

The matter was pointed out to the management on 14.10.2019 and no reply is received from the management so far.

No DAC meeting could be arranged till finalization of this report despite repeated reminders.

Audit recommends that the matter may be inquired for the issuance of approvals after the commencement/ completion of construction, without any action.

(PDP#599 - DG EPA H/Q FY 2018-19)

### **3.4.29 No action against the violators of section 11 of PEPA 2012**

Section 11 (1) of PEPA, 2012 stipulates that subject to the provisions of this act and the rules and regulations made there under no person shall discharge or emit or allow the discharge or emission of any effluent or waste or air pollutant or noise in an amount, concentration or level which is in excess of the [Punjab] Environmental Quality Standards or, where applicable, the standards established under clause (g) of

sub-section (1) of section 6. (2) The [Government] may levy a pollution charge on any person who contravenes or fails to comply with the provisions of sub-section (1), to be calculated at such rate, and collected in accordance with such procedure as may be prescribed.

It was observed that The Director (ML&I) vide its office letter No. RO(LW)/EPA/01/ 2019/33 dated 16.01.2019 and No. RO(LW)/EPA/01/2019/181 dated 27.06.2019 forwarded 95 and 65 cases respectively (list attached), based on laboratory evidence to P&C for acting against violators of Section 11, PEPA 1997. However, the record of ML&I wing is silent about any action taken against the violators by P&C wing.

Audit holds that the status of action taken may be intimated to office.

The matter was pointed out to the management on 14.10.2019 and no reply is received from the management so far.

No DAC meeting could be arranged till finalization of this report despite repeated reminders.

Audit recommends that the matter may be inquired and responsibility may be fixed as to why required action has not been taken against the offenders.

(PDP#600 - EPA H/Q FY 2018-19)

### **3.4.30 No action against the industries having positive samples exceeding PEQS limits**

Section 11 (1) of PEPA, 2012 stipulates that subject to the provisions of this act and the rules and regulations made there under no person shall discharge or emit or allow the discharge or emission of any effluent or waste or air pollutant or noise in an amount, concentration or level which is in excess of the [Punjab] Environmental Quality Standards or, where applicable, the standards established under clause (g) of sub-section (1) of section 6. (2) The [Government] may levy a pollution charge on any person who contravenes or fails to comply with the provisions of sub-section (1), to be calculated at such rate, and collected in accordance with such procedure as may be prescribed.

Audit observed in Lahore and Sialkot that lab tests of the various industrial units were carried out and the offense was established by virtue of lab test report. In many cases, as per the record no action was taken against the offenders. In other cases, the EPO was to be issued to offender, which was not done despite lapse of considerable time. The detail is attached at **Annex-XVI**.

The matter was pointed to Deputy Directorate (Environment), Lahore and Sialkot on 30.09.2019 and 04.10.2019 respectively. Deputy Directorate Lahore replied that the inspector started surveillance of all pointed out units to establish offence and report was sent to the Director (P&C) from time to time. After issuance of EPOs against concerned units, non-compliance report was also submitted to Director (P&C). No action at the end of Deputy Directorate (Environment), Lahore is pending. EPA Sialkot replied that 240 tannery are working in 10 different clusters in and around Sialkot. In the absence of a proper effluent collection system and no treatment facilities, the effluents of these tanneries are being discharged to seasonal nullahs. As there is no scientific land fill available for tannery waste, heaps of garbage could be seen everywhere. Detailed Site Inspections were conducted in 2009 and all the cases were forwarded to Environmental Protection Agency, Punjab. The hearing notices and Environmental Protection Orders were issued and on non-compliance cases were filed in Punjab Environmental Tribunal. Certain category of tannery units challenged the EPA proceedings in court that sampling had not been carried out. On the direction of the Honorable Court, re-sampling was carried out and revised SIRs were forwarded to the competent authority for legal action. Due to these polluting activities Sialkot Tannery Zone is under development and in 2020 all the tanneries will be shifted there. Due to shortage of human resources and time to time emergency task like Smog, Dengue, etc. the remaining SIRs will be submitted shortly. This office conducted site visit of Dying units, Surgical Tempering Units and Bricks Kiln and forwarded SIRs to EPA, Punjab, Lahore for legal action. The hearing Notices were served and EPOs were issued accordingly.

The reply is not tenable as no conclusive action has been taken so far.

The DAC in its meeting held on 6<sup>th</sup> and 7<sup>th</sup> February, 2020 directed that the administrative department may probe the matter of non- action against the offenders by concerned wings of EPA Headquarter (P&C and Law Wing) with a view to fix the



responsibility on person(s) at fault. Further, the DO (Environment), Lahore is directed to apprise the audit periodically regarding progress of cases until conclusive actions are taken against the industries by the Water Commission. In the case of DO (Environment), Sialkot the DAC directed that the matter may be probed by the Administrative Department for non-action against proponents / units with a view to fix responsibility against the person(s) responsible.

Audit recommends that the outcome of inquiry reports be shared with audit besides taking action against the offenders under intimation to audit.

(PDP#581, 667 - DD (Env) EPA, Lahore & EPA Sialkot FY 2018-19)

### **3.4.31 Non-expeditious disposal of complaints and appeals**

According to Para-13 of Punjab Environmental Tribunal Rules, 2012 “the Tribunal shall make every effort to dispose of a complaint or an appeal or other proceedings within sixty days from the date of filing of the complaint, appeal or other proceedings but any decision of the Tribunal shall not be rendered invalid by reason of any delay in the disposal of complaint, appeal or other proceedings.

It was observed that the PET did not dispose of the complaints / appeals in the light of above rules. The detail is at **Annex-XVII**.

Audit holds that non-disposal of complaints/ appeals in time resulted into delayed disposal and violation of above.

The matter was pointed out to the management on 26.09.2019 and no reply is received from the management so far.

No DAC meeting could be arranged till finalization of this report despite repeated reminders.

Audit recommends that a mechanism may be devised to dispose of the cases in time besides intimating the complete list of pending cases and their progress to the audit to proceed further in the matter. The matter may be investigated with a view to fix responsibility on the person(s) at fault.

(PDP#570, PET FY 2018-19)

### **3.4.32 Un-authorized operation without environmental approval**

Section 11 (1) of PEPA, 2012 stipulates that subject to the provisions of this act and the rules and regulations made there under no person shall discharge or emit or allow the discharge or emission of any effluent or waste or air pollutant or noise in an amount, concentration or level which is in excess of the [Punjab] Environmental Quality Standards or, where applicable, the standards established under clause (g) of sub-section (1) of section 6. (2) The [Government] may levy a pollution charge on any person who contravenes or fails to comply with the provisions of sub-section (1), to be calculated at such rate, and collected in accordance with such procedure as may be prescribed.

Section 12 (1) stipulates that no proponent of a project shall commence construction or operation unless he has filed with the Provincial Agency an initial environmental examination or where the project is likely to cause an adverse environmental effect, an environmental impact assessment, and has obtained from the Provincial Agency approval in respect thereof.

Section 17(7) of PEPA Act (amended 2012) stipulates that where the Director-General of the Provincial Agency is of the opinion that a person has contravened any provision of this Act, he may, subject to the rules, by notice in writing to that person require him to pay to the Provincial Agency an administrative penalty in the amount set out in the notice for each day the contravention continues; and a person who pays an administrative penalty for a contravention shall not be charged under this Act with an offence in respect of such contravention.

It was observed that 01 unit in Lahore and 30 units in Sialkot were operating without environment approval. Moreover, out of those 30 units, 15 units were working for more than from 5-40 years.

Audit holds that the offense was established by virtue of SIR and no action was taken against the offender despite lapse of considerable time.

The matter was pointed out to Deputy Directorate (Environment), Lahore and Sialkot on 30.09.2019 and 04.10.2019 respectively. In response the Deputy Directorate (Environment), Lahore stated that after issuance of EPO to Fancy Embroidery, a visit was conducted after stipulated time period and compliance status report sent to Headquarter. Further, proceeding can be verified from legal section.

The Deputy Directorate (Environment), Sialkot replied that 30 units mentioned included 8 Surgical Tempering Units, 5 Bricks Kiln, 1 Tannery unit and 1 Gourmet Sweet & Bakers. Some units were established before the promulgation of PEPA, 1997, however, the SIRs regarding environmental pollution of these units were forwarded to EPA, Punjab, Lahore for legal action. It is further mentioned that the projects requiring Environmental Approval are mentioned schedule 1 & 2 of review of IEE&EAA Regulations, 2000. Surgical Tempering Units, Bricks Kiln & Tannery unit do not reflect the above said schedules. However, Gourmet Sweet & Bakers had applied for Environmental Approval which is under process.

The reply is not tenable as conclusive action is not been taken so far.

The DAC in its meeting held on 6<sup>th</sup> and 7<sup>th</sup> February, 2020 directed with regards to Deputy Directorate (Environment), Lahore that the administrative department may probe the matter of non- action against the offenders by concerned wings of EPA Headquarter (P&C Wing and EIA Wing) with a view to fix the responsibility on person(s) at fault. The Para stands till compliance of Rule-17 of IEE/EIA Regulations 2000 and delegations of powers for environment approvals vide notification No. SO(Tech)/EPD/1-26/2004 dated 15.06.2017. Further, the DAC directed that the cases pertaining to EPA Headquarter and Commissioner of relevant division pointed out by audit may be separately identified (if necessary) and the required action be initiated/ taken under intimation to audit. The DAC directed with regards to Deputy Directorate Environment Sialkot that the matter may be probed by the Administrative Department for non-action against proponents / units with a view to fix responsibility against the person(s) responsible.

Audit recommends that the outcome of inquiry reports be shared with audit besides taking action against the offenders under intimation to audit.

(PDP#583, 665 - DD (Env), Lahore & DD (Env) EPA Sialkot FY 2018-19)

### **3.4.33 No action against the offender after lapse of mitigation/ warning period given by court**

Section 11 (1) of PEPA, 2012 stipulates that subject to the provisions of this act and the rules and regulations made there under no person shall discharge or emit or allow the discharge or emission of any effluent or waste or air pollutant or noise in

an amount, concentration or level which is in excess of the Punjab Environmental Quality Standards or, where applicable, the standards established under clause (g) of sub-section (1) of section 6. (2) The Government may levy a pollution charge on any person who contravenes or fails to comply with the provisions of sub-section (1), to be calculated at such rate, and collected in accordance with such procedure as may be prescribed.

The sample was taken by EPA on 17.08.2017 and the lab test was carried out in respect of M/s Trend Birth Textile Pvt. Ltd by EPA on 28.08.2017. The EPO was issued with mitigation period of 90 days. After issuance of non-compliance of the Court Order dated 09.07.2018, the implementation orders were issued on 16.07.2018 and the unit was sealed. The unit was de-sealed on court orders dated 02.08.2018 with an additional mitigation period of 30 days. The non-compliance of court orders was issued on 30.11.2018 and fresh lab-test was carried out on 19.12.2018. The analysis report showed that PH value, BODs and CODs exceeds PEQS Limits.

Audit holds that the offense was re-established by virtue of lab report dated 19.12.2018 and no action was taken against the offender after lapse of considerable time.

The matter was pointed to the management on 30.09.2019. The management stated that EPO was issued to the offenders after expiry of stipulated time period. Afterwards, implementation order was issued and the unit was sealed. The sampling was conducted again and compliance status was sent to Headquarter. Further status can be checked from legal section of EPA, HQ.

The reply is not tenable as necessary action after expiry of mitigation period is not been taken so far.

The DAC in its meeting held on 6<sup>th</sup> and 7<sup>th</sup> February, 2020 directed that the administrative department may probe the matter of non- action against the offenders by concerned wings of EPA Headquarter (P&C and Law Wing) with a view to fix the responsibility on person(s) at fault. Further, the DO (Environment), Lahore is directed to apprise the audit periodically regarding progress of cases until conclusive actions are taken against the industries by the Water Commission. Para stands.

Audit recommends that the outcome of inquiry reports be shared with audit besides taking action against the offenders under intimation to audit.

(PDP#584 - DD (Env), EPA, Lahore FY 2018-19)

### **3.4.34 No action after the lapse of mitigation period given in EPO**

Section 11 (1) of PEPA, 2012 stipulates that subject to the provisions of this act and the rules and regulations made there under no person shall discharge or emit or allow the discharge or emission of any effluent or waste or air pollutant or noise in an amount, concentration or level which is in excess of the [Punjab] Environmental Quality Standards or, where applicable, the standards established under clause (g) of sub-section (1) of section 6. (2) The [Government] may levy a pollution charge on any person who contravenes or fails to comply with the provisions of sub-section (1), to be calculated at such rate, and collected in accordance with such procedure as may be prescribed.

It was observed that the offenses were established against the various units by virtue of lab test reports in 2017. The offenders were given mitigations period after issuance of EPO. But no corrective measures were taken as detailed at **Annex-XVIII**.

Audit holds that the offense was established but no action was taken against the offender after issuance of EPO. The record is silent regarding taking any legal action against the offenders, after the lapse of warning period for mitigation/corrective measures. No bank guarantee was available in the record for the units de-sealed with an additional mitigation period of 90 days.

The matter was pointed on 30.09.2019. The management replied that after issuance of implementation order, the subject units sealed by the Agency and in compliance treatment plants were installed. The case of Four Brothers in Environmental Tribunal. Treatment plants were installed in Bundu Khan, Chawla chemical & metal and Hall Mark. The unit of Pency garments is not operational.

The reply is not acceptable as conclusive action has not been taken against all the cases identified. Further, the justification of non-action against the offenders before the pointataion by audit is also not provided.

The DAC in its meeting held on 6<sup>th</sup> and 7<sup>th</sup> February, 2020 directed that the administrative department may probe the matter of non- action against the offenders

by concerned wings of EPA Headquarter (P&C and Law Wing) with a view to fix the responsibility on person(s) at fault. Further, the DO (Environment), Lahore is directed to apprise the audit periodically regarding progress of cases until conclusive actions are taken against the industries by the Water Commission. Para stands.

Audit recommends that the outcome of inquiry reports be shared with audit besides taking action against the offenders under intimation to audit.

(PDP#585 - DD (Env), EPA, Lahore FY 2018-19)

### **3.4.35 Slow progress of Sialkot Tannery Zone**

The Sialkot Tannery Zone (STZ) Project was launched in 2004. The feasibility was revised in 2009 from 90 million to 294.5 million, which were released by GoP for land. The Government decided to execute the project through a company registered under Companies Ordinance 1984. The Government has issued notification under Section 4 of land acquisition Act 1894 for acquisition of 384 Acres at Khambran Wala at Kuluwal Road for the establishment of Tannery Zone. For completion of the Project, a non-profit organization “The Sialkot Tannery Association (Guarantee) Ltd.” was formed. The Company invited applications from prospective buyers for submission of 25% share of the total cost of land. Sialkot Tannery Zone is a public-private partnership and is being led by a non-profit organization. The design of a new common effluent treatment plant and a common waste management program is developed with the help of UNIDO (providing technical assistance) and the funding partners (STAGL, GoP, GEF, TDAP), UNIDO providing with the planning of the STZ. 75% of the cost of land has been covered by a soft loan from the government and 25% from the private sector.

In Sialkot there are around 240 tanneries existing in 10 clusters in and around Sialkot. In the absence of a proper effluent collection system and treatment facilities, the effluents of these tanneries are being discharged to seasonal nullahs. As there is no scientific land fill available for tannery waste, heaps of garbage could be seen everywhere.

Audit observed that:

- At present, no industrial unit has been shifted to the STZ. Though the company has been successful in acquiring the land measuring 394.18 acres, preparing the master plan, completing the boundary wall, resolving the land issues with Railway and Army, completing the demarcations of roads and plots and in declaring a buffer zone of 800 meters around STZ. The Projects deadline was revised many times upto 30.06.2020.
- The PC-I for improvement and widening of approach road to STZ was submitted to CM for consideration, roads are under construction, electricity and gas connection are in process, waste water treatment plant, sanitary landfill site, chrome recovery plant and fat extraction unit, tree

Plantation site, allotment of plot to the tenderers and shifting of tanneries are yet to be done.

Audit holds that the Deputy Directorate Environment, Sialkot and EPA failed to play their part in expediting the execution of project. The matter needs to be justified besides taking measures by the department before the project sees another extension, as the deadline of the same is 30.06.2020.

The matter was pointed on 04.10.2019. The management replied that the project progress is well on track. The project has evident achievements on different fronts like, 95% (approx. 34 Km of length) completion of storm-water & effluent conveyance system, 99% completion of Internal Electrification of Tannery zone, whereas the External Electrification, connection to existing grid station for temporary supply, is 70% complete, the construction of roads is complete up to 80%. Construction of common effluent treatment plant (CETP) has reached at tendering and bidding stage. Consultant for preparation of Typical Tannery Design has shared its first draft report and a consultative session was also arranged with all project stakeholders. The detail design of common chrome recovery facility has been approved and now at stage of calling bids. More than 65% possession certificates have been issued to plot owners. Overall as per careful estimates 60% of the development work has been completed at site. According to the plan discussed with the Sialkot Tannery Association Guarantee Limited, establishment of combine

effluent treatment plant (CETP) will be completed in December 2019 and by January 2020 tanneries will be permitted to start construction at Sialkot Tannery Zone.

The reply is not convincing as the micro-deliverables which would contribute to overall completion of the project are still underway.

The DAC in its meeting held on 6<sup>th</sup> and 7<sup>th</sup> February, 2020 directed that audit may be apprised about the role of Environment Protection Department in establishment of Sialkot Tannery Zone. Further, the representative of EPD department in Sialkot be directed to apprise audit about the progress of STZ on periodic basis till its completion.

Audit recommends that the EPA should keep watch over the project till the finalization of STZ project under intimation to audit, to decide the fate of the matter.

(PDP#655 - DD (Env) EPA Sialkot FY 2018-19)

### **3.4.36 Unauthorized excavation of sand near Kot Dina Zone, Sialkot**

Clause XIV of Environment approval issued vide EPA letter No. AD(EIA)/EPA/F-08(EIA)/1808/2018/572 dated 11.09.2018 to M/s Asif Dredger Sambrial, Sialkot stipulates that the proponent shall not extract sand within 1,000 meters from any crucial hydraulic structure such as pumping station, water intakes, bridges, buildings and such structures.

It was observed that the office of the Assistant Directorate (Mines and Minerals), Sialkot pointed out that M/s Asif Dredger was working on two pits at a distance of 181 meter and 122 meter (approximately) from Kot Dina Zone. The A. D, (Mines and Minerals) endorsed the copy of the same to proponent and EPA Sialkot and advised the proponent to evacuate sand at site as per fixed distance. The EPA vide their letter dated 28.12.2018 also requested the proponent to submit the compliance status report of the directions mentioned in environment approval letter.

Audit holds that the record is silent with regards to any further action against the proponent or compliance status by the proponent on the matter.

The matter was pointed out on 04.10.2019. The management replied that this office directed the proponent vide letter no. 1011/DDE/SLK, dated 28.12.2018 to furnish compliance of the direction of the environmental approval. The proponent



submitted compliance status report dated: 29.01.2019 that he has complied with the directions.

The reply is not acceptable as no compliance status report was found attached with proponent's letter dated 29.01.2019. Further, the reply is silent regarding any action taken against the proponent for the period of violation.

The DAC in its meeting held on 6<sup>th</sup> and 7<sup>th</sup> February, 2020 directed that para stands till endorsement of compliance report to Irrigation Department and Mines and Minerals Department under intimation to audit.

Audit recommends that the necessary action may be taken without further delay.

(PDP#656 - EPA Sialkot FY 2018-19)

### **3.4.37 Non-development of PEQS for solid waste (hazardous and non-hazardous)**

Article 6 (e) stipulating the Functions of the provincial Agency provide that EPA shall prepare, establish and revise the Provincial Environmental Quality Standards with approval of the Council.

Audit observed that PEQS for solid waste, both hazardous (infectious) and non-hazardous were not developed. Further, the standards on the subject are also not available in NEQS. In addition, the EPA had a scheme PC-II for Rationalization, revision and development of EQS and industry specific standards. The administrative approval of the scheme was given in February 2017 with gestation Period upto 30.06.2018. Cost of scheme was Rs 29.793 million. The same scheme also did not address the development of standards on the subject. The scheme was adopted by PGDP (funded by WB), but the same still do not address the development of standards for solid waste.

The matter was pointed on 26.09.2019. The management replied that Environmental Quality Standards for either hazardous and non-hazardous waste are not developed. Environmental Quality Standards are used where concentrations of pollutants are to be controlled based upon the assimilative capacity of receiving body. In case of solid wastes, hazardous or non-hazardous, guidelines, regulations and rules

for their management handling, and ultimate disposal are made and implemented. EPA has already developed and notified rules for management of Hospital waster (infectious/hazardous waste). In the forthcoming meeting of Punjab Environmental Protection Council, regulations for management of lead acid batteries are being presented. Similarly drafts for management of other hazardous non-hazardous waste are being prepared. Once notified, EPA will start regulating other solid wastes.

The DAC in its meeting held on 6<sup>th</sup> and 7<sup>th</sup> February, 2020 directed that para stands till approval of regulations for management of lead acid batteries, draft rules for management of hazardous and non-hazardous waste from Punjab Environment Protection Council.

Audit recommends that the matter of approval of draft regulations and rules be expedited.

(PDP#577 - DD (Lab) EPA Lahore FY 2018-19)

### **3.4.38 Weak enforcement of licensing against non-registered labs in Punjab**

Section 11 stipulates that no laboratory shall function as an environmental laboratory unless it is granted certification under these regulations.

Audit observed that following labs were operating in Punjab without NOC/ renewed NOC of EPA as required under the provisions above.

<b>S. No</b>	<b>Name of the un-registered lab</b>	<b>District</b>
1	Pak Innovative Biotechnology Services	Faisalabad
2	Green Crescent Environment Consultants Pvt. Limited	Lahore
3	SGS Pakistan Environment Laboratory Pvt. Limited	Lahore
4	Laboratory of Environment Science, Lahore	Lahore
5	Apex Environment Laboratory Lab, Lahore	Lahore
6	Intertek Pakistan (Pvt.) Limited	Lahore

The matter was pointed to the management on 26.09.2019. The management replied that the lab at Sr. 2 & 4 is certified labs. The remaining 4 labs have applied for certification and after routine process these will be certified.

The reply is not cogent as the justification for non-action against the uncertified operational labs was not provided.

Audit holds that the operation of such labs shows weak enforcement of EPA under the provisions above.

It was discussed in the DAC in its meeting held on 6<sup>th</sup> and 7<sup>th</sup> February, 2020 as per Regulation (11) of Certification of Environmental Laboratories Regulations, 2000 no laboratory shall function as an environment laboratory unless it is granted certification under these regulations. Audit holds that as the Regulation (11) such labs which are not certified from EPA should not be allowed to operate. The DAC in its meeting held on 6<sup>th</sup> and 7<sup>th</sup> February, 2020 directed that the clarification may be sought on Section (11) from the quarter concerned and the lab certification rules should be amended accordingly to enforce the same on non-certified labs.

Audit recommends that the matter of clarification be taken up with the concerned quarters and enforceability of the lab certification rules be ensured on environment labs.

(PDP#578 - DD (Lab) EPA Lahore FY 2018-19)

### **3.4.39 Insufficient equipment, chemicals, reagents, consumables for analysis of waste and drinking water samples**

The office of the Deputy Director Lab, Environment Protection Agency, Sialkot vide letter dated 30.01.2019 forwarded a requisition / requirement of Lab material as well other material to meet the requirement of the Lab followed by a reminder dated 13.03.2019 to the Director (ML&I), EPA H/Q, Lahore but the response was awaited.

Audit observed that:

- The iso-kinetic PM sampler was handed over to EPA, Lahore on 23.08.2016 and was not returned to DD Laboratory, Sialkot.
- Insufficient personal protective equipment found in EPA Lab, Sialkot which did not fulfill the requirement of the Laboratory.
- The office of the DD Lab purchases chemicals of Rs 90,960 out of budget in head others Rs. 204,000 during FY 2014-15 and remaining amount was surrendered. No budget was demanded by the Deputy Directorate Laboratory Sialkot during FYs 2015-16 to 2018-19.

<b>Sr. No</b>	<b>Category of Parameters</b>	<b>Parameters not being analyzed</b>	<b>Parameters that can be analyzed</b>
1	Parameter Analyzed for Drinking water	Chloride, Hardness, Coliform	Physical parameters
2	Parameter Analyzed for Waste water	Chloride, COD, BOD and Sulfate, TDS, TSS	Physical parameters, PH, Temperature
3	Parameters analyzed for ambient Air	SOX, COX, PM	Physical appearance

Audit holds that:

- The Laboratory is only providing its input mostly on the physical parameters of the water and air. Non-provision of chemicals in time hampers the progress of the lab and limits its ability to enforce Punjab environment quality standards.
- The lab is unable to analyze technical aspects of the sample in most of the cases.
- The budget expended was from Head “Others” and no separate allocation was made. Further, Rs. 113,040 could have been utilized by DD Environment (Lab), Sialkot. The budget for purchase of chemicals was not demanded for FY-2015-16, 2016-17, 2017-18 & 2018-19.

The matter was pointed on 30.09.2019. The management replied that the purchase of protective gears depends upon the availability of budget. As per Head office directions, the Iso-Kinetic Particulate Matter Sampler was handed over to EPA HQ for their repair and maintenance which was not returned. The Chemicals, Reagents and Consumables etc. have been purchased centrally by EPA Head Office, Lahore and provided to District Laboratory, Sialkot from time to time and no budget was allocated in the head of Purchase of Chemicals during Financial Years 2015 to 2019. The budget in Head “other” by the end of F.Y 2014-15 was allocated. Due to meager time, this office could only purchase chemicals with in the quotation limits.

The reply is not cogent, as non-availability of required chemicals and equipment inhibits the usefulness Laboratory.

The DAC in its meeting held on 6<sup>th</sup> and 7<sup>th</sup> February, 2020 directed that the ISO Kinetic PM Sampler may be placed before the technical committee to determine if it can be serviced and the action may be taken accordingly. Further, the required

chemicals and equipment may be arranged and provided for effective operations of district lab. Para stands till verification during next audit.

Audit recommends that, the laboratory may be equipped with necessary chemicals and equipment without further delay.

(PDP#589 - DD (Lab) EPA Sialkot FY 2018-19)

#### **3.4.40 Non-Accreditation of Green Climate Fund (GCF)**

The Green Climate Fund (GCF) is a fund established within the framework of the UNFCCC to assist developing countries in adaption and mitigation practices to counter climate change. The objective of the Green Climate Fund is to support projects, programs, policies and other activities in developing country Parties. The Fund has set itself a goal of raising \$100 billion a year by 2020.

The Green Climate Fund will work through a wide range of institutions to finance projects and programs to deploy its resources. To access funding, these institutions have to go through a process of “accreditation”, designed to assess whether they are capable of strong financial management and safeguarding funded projects and programs against any unforeseen environmental or social harm. The accreditation process is also designed to assess whether the applicant entities have the ability to manage GCF’s resources in line with the Fund’s fiduciary standards for the scale and type of funding sought, as well as the ability to manage environmental and social risks that may arise at the project level. Entities seeking accreditation to access GCF resources will also be assessed against the Fund’s Gender Policy.

Audit observed that a study was conducted by A.F Ferguson & Co., a member firm of the PwC Network (AFF) to identify the gaps in the existing structure of EPA Punjab for accreditation to the GCF. The summary of recommendation for fiduciary management actions are at **Annex-XIX**.

Audit holds that no action was taken on the recommendations of the report and gaps identified were not removed. Hence, EPD/EPA Punjab has not yet been accredited with the GCF.

The matter was pointed to the management on 14.10.2019 but no reply was furnished.

No DAC meeting could be arranged till finalization of this report despite repeated reminders.

Audit recommends that fact finding report explaining the observations raised by the audit may be submitted at the earliest.

(PDP#590 - DG EPA H/Q Lahore FY 2018-19)

#### **3.4.41 Provincial sustainable development fund not established**

Section 53(1) of PEPA Act stipulates that there shall be established a Provincial Sustainable Development Fund. (2) The Provincial Sustainable Development Fund shall be derived from the following sources, namely:– (a) grants made or loans advanced by the [Government or the Federal Government]; (b) aid and assistance, grants, advances, donations and other non-obligatory funds received from foreign governments, national or international agencies, and non-governmental organizations; and (c) contributions from private organizations, and other persons.

It was observed that Provincial Sustainable development fund has not been established so far.

The matter was pointed to the management on 14.10.2019 and no reply is received from the management so far.

No DAC meeting could be arranged till finalization of this report despite repeated reminders.

Audit recommends to fix responsibility for non-development of Provincial sustainable Development Fund.

(PDP#591 - DG EPA H/Q Lahore FY 2018-19)

#### **3.4.42 Annual Punjab Environment Report not prepared and published**

As per section 6(1) (d) of the Punjab Environment Protection Act 2012, the Agency shall prepare and publish an annual Punjab Environment Report on the state of the environment in the province.

It was observed that Annual Punjab Environment Report has not been prepared and published by the Agency.

The matter was pointed to the management on 14.10.2019 and no reply is received from the management so far.

Audit is of the view that non-preparing the Annual Report is not only violation of Act but also deprived the general public and all stakeholders to know the work performed by the Agency during the year.

No DAC meeting could be arranged till finalization of this report despite repeated reminders.

Audit recommends to fix the responsibility besides corrective measures.

(PDP#592 - DG EPA H/Q Lahore FY 2018-19)

### **3.4.43 Non-finalization of draft Penalty Rules 2013**

Section 17(7) of PEPA (amended 2012) stipulates that where the Director General of the Provincial Agency is of the opinion that a person has contravened any provision of this Act, he may, subject to the rules, by notice in writing to that person require him to pay to the Provincial Agency an administrative penalty in the amount set out in the notice for each day the contravention continues; and a person who pays an administrative penalty for a contravention shall not be charged under this Act with an offence in respect of such contravention.

It was observed that the proponents commenced construction before the approval of EPA in violation of the above. EPA by inserting a clause issued environmental approvals without taking any action against the proponents which provided that, “the proponent shall pay the administrative penalty to be imposed by EPA, Punjab under Punjab Administrative Penalty Rules, on account of violation of section 12 of PEPA, 1997”.

Audit holds that:

- The draft rules are not approved and issuance of approval on the basis of a draft document needs to be explained.
- The draft rules do not include the clause whether it will be applicable for imposition of penalty with retrospective effect.
- No record as to the submission of draft rules in the council and its inclusion in the agenda of next council meeting was shown to the audit.

The matter was pointed out to the management on 14.10.2019 and no reply is received from the management so far.

No DAC meeting could be arranged till finalization of this report despite repeated reminders.

Audit recommends to expedite the finalization of rules besides fixing the responsibility for delay.

(PDP#597 - DG EPA H/Q Lahore FY 2018-19)

#### **3.4.44 Provincial environmental policy not framed**

As per section 4 of the Punjab Environment Protection Act 2012, the Punjab Environmental Protection Council shall approve comprehensive environmental policies and ensure their implementation within the framework of a national conservation strategy as may be approved by the Government from time to time.

It was observed that Provincial Environmental policy was not framed till 30<sup>th</sup> June, 2019.

Audit is of the view that not framing provincial environmental policy is against the Punjab Environment Protection Act 2012 and needs justification.

The matter was pointed to the management on 14.10.2019 but no reply was furnished.

No DAC meeting could be arranged till finalization of this report despite repeated reminders.

Audit recommends to expedite the process of finalization of environmental policies.

(PDP#593 - DG EPA H/Q Lahore FY 2018-19)



## Annexures

### Annex-I (MFDAC)

PDP No.	Name of Formation	Subject	Amount (Rs in million)
629	DG, Rescue-1122, HQ	Non-imposition of penalty on medical items procured below prescribed level of shelf life	---
630	-do-	Undue favor to supplier by Procuring of surgical cotton roll beyond approved rate	5.761
634	-do-	Misclassification of expenditure	9.516
635	-do-	Irregular procurement of ambulance stretchers-	0.197
636	-do-	Irregular procurement of Almirah -	0.150
681	DEO Sialkot	Non filling of vacant posts	---
683	-do-	Non-reconciliation of figures with the data obtained from AG-SAP-FI	---
684	-do-	Irregular attachment of staff of DEO, 1122, Sialkot at Lahore	
469	DEO Mand Bahauddin	Irregular expenditure on Procurement of stretchers	0.490
509	DEO Pakpattan	Irregular auction/disposal of unusable items	0.204
397	CDO Toba Tek Singh	Non-reconciliation and difference in expenditure	4.423
400	-do-	Mis procurement of uniform	0.670
422	CDO Jhang	Irregular expenditure on account of POL	0.317
423	-do-	Mis-procurement of Uniforms	0.171
429	-do-	Irregular expenditure in excess of allocated budget	0.304
452	CDO M. Bahauddin	Mis-procurement of Uniforms	0.082
453	-do-	Irregular purchases under the head Others and cost of others	0.570
455	-do-	Un-authorized and wasteful expenditure on account of Pena flex printing	0.050
458	-do-	Irregular expenditure on account of POL	0.101
522	CDO Pakpattan	Mis-procurement of Uniforms	0.604
406,427, 450,519	CDO	Irregular issuance of cheques in the name of DDOs instead of vendors (CDO Toba Tek Singh, Jhang, Mandi	7.764

		Bahauddin and Pakpattan)	
405	-do-	Non-conducting of internal audit (merged PDPs 405,432,457,526	---
613	CDO Sialkot	Under/ over utilization of budgetary allocation	---
614	-do-	Non-surrender of budget	---
615	-do-	Non-provision of reconciled expenditure statement with District Accounts Office, Sialkot	---
616	-do-	Non-reconciliation of figures with the AG-SAP	---
617	-do-	Non-Filling of vacant posts	---
618	-do-	Irregular posting of employees to D C Office, Sialkot	---
619	-do-	Not updating the training schedule and limited focus of trainings to Tehsil Sialkot	---
620	-do-	Insufficient Instrument of Bomb Disposal Squad	---
621	-do-	Irregular drawing of conveyance allowance-	0.118
611	-do-	Non-auction of Old Vehicles	---
622	-do-	Wasteful expenditure incurred on hiring of services of paid volunteers for FY-2012-13 to 2018-19	1.119
623	-do-	Non-maintenance of Stock Register of consumable items Uniform for FY-2016-17 -Rs. 271,059	0.271
624	-do-	Unjustified Expenses incurred through different Head of Accounts in the name of DDO amounting to	0.737
549	Secretary, EPD, HQ	Difference in the figures of AG office and of the department	---
551	-do-	Unauthorized purchase of POL for motor-bikes not at the strength of Office –Rs. 254,360	0.254
553	-do-	Unauthorized payment of conveyance allowance Rs. 6,973 during leave on full pay	0.007
554	-do-	Unauthorized/Irregular drawing of conveyance allowance during FYs 2017-19	---
555	-do-	Doubtful drawl / consumption of POL without maintenance of log books-Rs. 34,727	0.035
556	-do-	Excess use of POL over and above fixed ceiling 6,239 Liters during FYs 2017-19	---
557	-do-	Excess expenditure than budget allocation-	1.058
559	-do-	Irregular expenditure due to payment of pending liability	1.589
560	-do-	Use of Vehicle beyond authorized engine capacity	---
561	PET Lahore	Non-filling of vacant Post of Member Technical in the Punjab Environment Tribunal	---
596	EPA, HQ	Non-action against the usage of polythene bags	---

601	-do-	Non-finalization of SOPs for granting permissions to import materials under Basel convention	---
602	-do-	Illegal Brick Kilns on BTK Firing System Punjab	---
603	-do-	Irregular Procurement of Tires by not awarding the contract to lowest bidder	0.479
604	-do-	Irregular Procurement of Stationary Items by not awarding the contract to lowest bidder – Rs. 525,687	0.526
605	-do-	Irregular/Unjustified Promotion of officers / officials to next higher pay scale	---
606	-do-	Non-verification of deposits- for FY 2017-18 and FY 2018-19- Rs. 540,000	0.540
607	-do-	Excess use of POL over and above fixed ceiling during FYs-2017-19	---
608	-do-	Doubtful drawl / consumption of POL without maintenance of log books	---
653	DD Dev., EPA, HQ	Non-reconciliation of figures with the data obtained from AG-SAP-FI	---
654	-do-	Expenditure over and above the budget allocation-Rs. 1,264,439	1.264
582	DD (Env), EPA Lahore	Non-institution of law suit against the industries having positive samples exceeding PEQs	---
573	-do-	Under-utilization of funds against the budgetary allocation	---
575	-do-	Difference in the figures of AG office and of the department	---
576	-do-	Inefficiency of EPA-lab Lahore due to understaffing and non-availability of lab equipment	---
657	DD (Env), Sialkot	Unauthorized absence from duty of Mr. Munawar Khalil, Driver w.e.f. 03.02.2016 to 23.07.2016	0.101
658	-do-	Non-filling of vacant posts for FYs-2015-19	---
660	-do-	Unauthorized operation without confirmation of EPA	---
664	-do-	Non-institution of law suit against the industries having positive samples exceeding PEQs	---
665	-do-	Un-authorized installation without environmental approval	---
669	-do-	Non-reconciliation of figures with the data obtained from AG-SAP-FI	---
407	EPA Toba Tek Singh	Irregular payment on account of rent of office building	1.645
408	-do-	Irregular expenditure on account of POL	1.421
410	-do-	Non-submission of Environmental Assessment reports	---

		by proponents of various projects	
414	-do-	Non-ensuring compliance of Environmental Protection Orders issued against Brick kiln	---
416	-do-	No departmental action against the industrial units operating without Environmental NOCs	---
433	EPA Jhang	Irregular payment on account of rent of office building	---
439	-do-	Non-submission of Environmental Assessment reports by proponents of various projects	---
476	EPA Mandi Bahauddin	Irregular payment on account of rent of office building-	0.216
479	-do-	Over payment/claim on purchase of stationary	0.0103
480	-do-	Irregular expenditure on account of TA/DA	0.233
481	-do-	Irregular expenditure on account of POL	0.384
482	-do-	Non ensuring compliance of personal hearing notices	---
486	-do-	Non submission of Environmental Assessment reports	---
527	EPA Pakpattan	Irregular payment on account of rent of office building	0.778
528	-do-	Irregular expenditure on account of postage stamps	0.031
529	-do-	Un-authorized expenditure on account of TA/DA	0.348
531	-do-	Non surrender of unspent balances to Government	0.329
533	-do-	Un-justified purchase from another district	0.411
534	-do-	Irregular expenditure on repair of vehicles	0.163
535	-do-	Irregular expenditure on provision of lunch boxes	0.070
536	-do-	Un-justified Expenditure on account of printing	0.099
537	-do-	Irregular Expenditure on account of fair and exhibitions	0.225
538	-do-	Over Claim of amounts under various heads	0.030
540	-do-	Non submission of Environmental Assessment reports	---
539	-do	Non maintenance/provision of record and expenditure statements of three months	---
409,434, 530	EPA	Irregular issuance of cheques in the name of DDO instead of vendors (EPA Toba Tek Singh, Jhang &Pakpattan)	6.525

**Annex-II**  
(Para#1.4.3)

S. No	Office	Head of account	Financial Year	Total
1	DEO T. Tek Singh	Stationery	2011-2019	404,309
2	-do-	Purchase of medicines	-do-	291,204
3	-do-	Cost of other stores	-do	927,085
4	-do-	Repair of transport	-do	2,356,344
5	-do-	Cash Awards	-do	1,207,885
6	-do-	Others	-do	1,661,802
<b>Total</b>				<b>6,848,629</b>
1	DEO M. Bahauddin	Stationery	2014-15-18-19	314,340
2	-do-	Purchase of medicine	-do	1,114,830
3	-do-	Cost of other stores	-do	1,514,825
4	-do-	Cash Awards	-do	600,519
5	-do-	Others	-do	1,763,450
6	-do-	Repair of transport	-do	15,693,723
7	-do-	Electricity	-do	1,827,764
8	-do-	Telephone bills	-do	986,133
9	-do-	Repair of machinery	-do	618,154
10	-do-	POL	-do	6,034,705
<b>Total</b>				<b>30,468,443</b>
1	DEO Pakpattan	Telephone	2014-15-18-19	1,079,811
2	-do-	Electricity	-do	1,839,041
3	-do-	POL	-do	775,375
4	-do-	TA/DA	-do	276,100
5	-do-	Stationery	-do	145,373
6	-do-	Others	-do	1,106,225
7	-do-	Cost of other stores	-do	881,459
8	-do-	Cash Awards	-do	754,800
9	-do-	Entertainment	-do	81,381
10	-do-	Repair of transport	-do	2,703,097
11	-do-	Medicines & Drugs	-do	508,583
12	-do-	Repair of M & E	-do	200,183
<b>Total</b>				<b>10,351,428</b>
<b>Grand Total</b>				<b>47,668,500</b>

**Annex-III**  
(Para#1.4.4)

<b>Sr. No</b>	<b>Office</b>	<b>Name</b>	<b>Designation</b>	<b>Amount of Surety Bond</b>
1	DEO TT Singh	M. Naveed Anwar	Fire Rescuer	200,000
2	-do-	Hammad Shahid	Lead Fire Rescuer	200,000
3	-do-	Muhammad Farhan	Computer operator	200,000
4	-do-	Muhammad Zeeshan	CTWO	200,000
5	-do-	M. Irfan Khan	Lead Fire Rescuer	200,000
6	-do-	M. Rashid Naeem	Lead Fire Rescuer	200,000
<b>Total</b>				<b>1,200,000</b>
1	DEO M.B. Din	M. Ateeq Rasheed	Fire Rescuer	200,000
2	-do-	Haroon Saeed Zia	F/DR	200,000
3	-do-	Tanveer Ahmed	EMT	200,000
4	-do-	Fakhar Raza	EMT	200,000
5	-do-	M. Atif	CTWO	200,000
6	-do-	Imtiaz Ahmed	CTWO	200,000
7	-do-	Nauman Basheer	EMT	200,000
8	-do-	M. Saeed Ahmed	Acct	200,000
9	-do-	M. Naveed	EMT	200,000
10	-do-	M. Qasim	CTWO	200,000
11	-do-	Faisal Shahzad	CTWO	200,000
<b>Total</b>				<b>2,200,000</b>
1	DEO Pakpattan	Arshad Farooq	LFR	200,000
2	-do-	Ghulam Mustafa	FR	200,000
3	-do-	Naveed Ahmad	DR	200,000
4	-do-	Abdul Razzaq	LFR	200,000
5	-do-	Muhammad Imran	EMT	200,000
6	-do-	Muhammad Sohail Usman	EMT	200,000
7	-do-	Muhammad Raza Ghafoor	EMT	200,000
8	-do-	Muhammad Nadeem Azhar	EMT	200,000
9	-do-	Zulqurnain Haider	EMT	200,000
10	-do-	Fakhar Ahmad	EMT	200,000
11	-do-	Mazhar Iqbal	LTV	150,000
12	-do-	Naeem Raza	LTV	150,000

13	-do-	Ghulam Haider Hydri	LTV	150,000
14	-do-	Zafar Iqbal	LTV	150,000
15	-do-	Qamar Hayyat Shahid	NQ	100,000
16	-do-	Asif Hussain	LTV	150,000
<b>Total</b>				<b>2,850,000</b>
1	DEO Sialkot	Sher Umar	FR	200000
2	-do-	M. Siddique,	CTW	200000
3	-do-	Naveed Anwar,	FR	200000
4	-do-	Mr. Muhammad Shahzad Khan	---	200000
5	-do-			<b>800,000</b>
<b>Grand Total</b>				<b>7,050,000</b>

**Annex-IV**  
(Para#1.4.6)

<b>Sr.#</b>	<b>Head of A/c</b>	<b>Financial Year</b>	<b>Amount (Rs)</b>
1	R&M Machinery & Equipment	2018-19	5,200
2	R&M Computer Hardware	2018-19	18,480
3	Stationary	2018-19	838,462
4	Printing	2018-19	235,833
5	Cost of Others Store	2018-19	2,001,545
6	Others Misc.	2018-19	465,962
7	Computer Hardware	2018-19	232,565
8	Machinery & Equipment	2018-19	94,466
9	Furniture & Fixture	2018-19	20,000
<b>Total</b>			<b>3,912,513</b>

**Annex-V**  
(Para#1.4.12)

<b>S. No</b>	<b>Name of Vendor</b>	<b>Cheque Amount</b>	<b>Description of Item Purchased</b>	<b>Invoice Amount</b>
1	M/s Rehman Rainbow	5,696,926	Sterilized Gaze swabs B.P 10cm x 10cm pack of 10-700000 pack (70000 boxes)	5,949,792
2	M/s Umar Usman Surgical Cotton Industries	5,760,720	Absorbent Cotton Wool 500gm (BPC) Cotton Roll (28000 Rolls)	6,048,000
3	M/s APSTA International	2,479,207	Surface Disinfectant Spray (Alpha Guard) (800)	2,188,034
4	M.A Pharma	2,114,600	Nebulizer Mask with tubing (small / large)	2,220,000
5	Cotton Craft (Pvt.), Ltd	1,486,519	Crape Bandage (23000)	1,552,500
6	K.M Enterprises	3,417,734	Disposable Syringes and Latex Examinations Gloves (12000+30000)	3,426,300
7	M/s Hoover Pharmaceuticals (Pvt.), Ltd	162,775	Lingnocaine Hydrochloride 2% sealed tube of 15gm with nozzle	170,000
8	M/S Usman Co International	1,120,941	Cannula	1,123,750
9	M/s Usman Enterprise	11,710,492	Paper Adhesive Tape 1 Nitto 22000 pack	12,294,480
10	M/s Elite Pharma	362,582	Polymyxin B Sulphate Zinc Bactracin Ointment tube of 10 gm (15000) A03927	382,500
11	M/S Usman Co International	731,078	Cannula (20000)	738,000
12	M/s Usman Enterprise	7,741,311	Paper Adhesive Tape 1 Nitto 17000 pack	8,127,360
13	M/s Hoover Pharmaceuticals (Pvt.), Ltd	122,560	Lignocaine Gel 2% tube of 15 gm (8000)	128,000
14	M/s Cotton Craft	4,129,822	Sterilized Guaze Pieces (4x4) box having 10 pieces each have 5 nos	4,397,400
15	M/s Chiesi Pharmaceuticals (Pvt) Ltd	516,007	Ipratropium Bromide Solution 20 ml A03927	517,300
		<b>47,553,274</b>		<b>49,263,416</b>



**Annex-VI**  
(Para# 1.4.16)

<b>S. No.</b>	<b>ADP No</b>	<b>Name of Scheme</b>	<b>Budget Estimates 2018-19 (Rs. in million)</b>	<b>Revised Estimates 2018-19 (Rs. in million)</b>
1	5912	Establishment of Emergency Service at Tehsils Hassanabdal & Jand District Attock	69.500	
2	5914	Establishment of New Rescue 1122 Station at Maraka Lahore	15.900	
3	5915	Establishment of New Rescue Station at Bedian Road Lahore	16.360	
4	5916	Establishment of New Rescue 1122 Station at Nazir Garden Opposite Journalist Colony, Wahga Lahore	4.500	3.377
5	5917	Strengthening of Emergency Services Academy	14.002	10.669
6	5918	Establishment of Rescue 1122 Centers at Shah Bagh	76.500	
7	5920	Establishment of Rescue 1122 station Mustafabad	33.500	
8	5923	Establishment of Emergency Services 1122 in Khokaharan Multan	33.500	
9	5924	Establishment of Rescue 1122 Service at sub tehsil headquarter Vehova (Tanusa Sharif)	35.000	
10	5925	Establishment of Emergency Service to Tehsils Phase-II	0.500	
11	5926	Establishment of Emergency Service in Tehsils covering under PDP Schemes in 10 tehsils / Towns	114.310	
12	5927	Capacity Building of Emergency Service in Punjab Phase-II	253.440	8.003
13	5928	Establishment of Emergency Service in 62 Remaining Tehsils of Phase III	193.775	49.979
14	5929	Establishment of Community Emergency Response Team in Punjab at UC Level	5.000	
			<b>865.787</b>	<b>72.028</b>

**Annex-VII**  
(Para#2.4.1)

Sr. No	Name of Office	Period	Average No. of Volunteers	Annual Payment
1	CDO Toba Tek Singh	2013-14	26	842,400
2	-do-	2014-15	15	1,892,000
3	-do-	2015-16	18	2,566,000
4	-do-	2016-17	40	5,616,400
5	-do-	2017-18	64	8,657,472
6	-do-	2018-19	65	13,353,511
<b>Total</b>				<b>32,927,783</b>
1	CDO Jhang	04-05, 2017	18	398,000
2	-do-	06/2017 to 03/18	17	1,990,000
3	-do-	04/18 to 09/2018	07	879,644
4	-do-	10/18 to 12/2018	04	180,000
5	-do-	01/2019	12	121,162
6	-do-	02/2019	11	155,193
7	-do-	03/19 to 04/2019	12	344,447
8	-do-	05/19 to 06/2019	14	411,950
<b>Total</b>				<b>4,480,396</b>
1	CDO Mandi Bahauddin	2016-17	11 for Ramzan bazaar duties	132,000
2	-do-	2017-18	20 for Ramzan duties	346,200
3	-do-	2018-19	20 Ramzan bazaar duties	346,200
4	-do-	2018-19	44 permanent staff	985,516
<b>Total</b>				<b>1,809,916</b>
1	CDO Pakpattan	2018-19	14	2,882,178
2	-do-	2017-18	14	2,662,942
3	-do-	2016-17	22	1,681,800
4	-do-	2015-16	6	805,200
5	-do-	2014-15	4	562,400
<b>Total</b>				<b>8,594,520</b>
<b>Grand Total</b>				<b>47,812,615</b>

**Annex-VIII**  
(Paara#2.4.2)

<b>Sr. No</b>	<b>Name of Office</b>	<b>Financial Year</b>	<b>Amount</b>
1	CDO Toba Tek Singh	2018-19	702,728
2	-do-	2017-18	1,462,430
3	-do-	2016-17	352,375
4	-do-	2015-16	790,072
5	-do-	2014-15	328,443
<b>Total</b>			<b>3,283,673</b>
1	CDO Jhang	2018-19	1,027,507
2	-do-	2017-18	863,787
3	-do-	2016-17	1,454,206
4	-do-	2015-16	160,595
5	-do-	2014-15	963,903
<b>Total</b>			<b>4,469,998</b>
1	CDO Pakpattan	2018-19	1,333,787
2	-do-	2017-18	3,259,549
3	-do-	2016-17	Incomplete Record
4	-do-	2015-16	1,725,826
5	-do-	2014-15	465,967
<b>Total</b>			<b>6,785,129</b>
1	CDO Sialkot	2018-19	<b>3,173,127</b>
<b>Grand Total</b>			<b>17,711,927</b>

**Annex-IX**  
(Para#3.4.4)

<b>Scheme</b>	<b>Total Budget Released</b>	<b>Date of Second Statement</b>	<b>Budget Surrendered</b>	<b>Revised Budget Allocation</b>	<b>Expenditure</b>	<b>Excess /Saving</b>
PC-II for rationalization, revision and development of environmental quality standards and industry specific standards.	7,500,000	30.04.2018	7,500,000	7,500,000	-	7,500,000
Study for most feasible treatment option for Hudiara Drain Waster Waters.	7,500,000	30.04.2018	7,500,000	7,500,000	-	7,500,000
Capacity Building of EPA Punjab for Enforcement of Environmental Standards in Punjab including Combined Effluent Treatment Plants (CETPs) and Industrial Estates (IEs) (J&C Program).	98,842,000	30.04.2018	98,842,000	98,842,000	63,474,558	35,367,442
Construction of model vertical shaft brick kiln (VSBK) in collaboration with Punjab Brick Kiln Association (PPP Mode).	5,000,000	30.04.2018	5,000,000	5,000,000	155,515	4,844,485
Development of Biodiversity Parks in collaboration with City District Governments, District Governments and Business Communities).	9,000,000	30.04.2018	9,000,000	9,000,000	37,387	8,962,613
<b>Total</b>	<b>127,842,000</b>				<b>63,667,460</b>	<b>64,174,540</b>

**Annex-X**  
(Para#3.4.5)

Sr.#	Head of A/c	Financial Year	No. of Vouchers	Amount (Rs)	Approved by
<b>PDP # 609, DG, EPA</b>					
1	Cost of Other Stores	2017-18	5	97,806	Assistant Director (Admn)
2	Transport	2017-18 & 2018-19	20	532,642	Assistant Director (Admn)
3	Cost of Other Stores	2018-19	3	10,087	Assistant Director (Admn)
4	Others	2018-19	79	649,868	Assistant Director (Admn)
<b>Grand Total</b>				<b>1,290,403</b>	

**Annex-XI**  
(Para#3.4.9)

S. No.	Main Objectives	Details
1	Strategic planning and implementation unit (SP&IU)	<ul style="list-style-type: none"> <li>It aims at restructuring of EPD.</li> <li>This unit was required to recruit staff for labs, procurement of equipment and vehicles and consultancy services below.</li> <li>Overall achievement of projects' objectives is responsibility of SPIU.</li> </ul>
2	Environment Monitoring Centre	<ul style="list-style-type: none"> <li>Recruitment of staff for Lahore lab</li> <li>Procurement of new equipment, Chemicals, repairs and maintenance (procurement of equipment and chemicals)</li> <li>Revival of Environmental labs (Major procurement was to be done liquid, air labs equipment's).</li> </ul>
3	Consultancy services	<ul style="list-style-type: none"> <li>Inception report for restructuring of EPD, gap analysis report (system, human resource, environmental laws, PET), restructuring report, plan for environmental monitoring,</li> </ul>

		environmental laboratories, SOPs for environmental sampling, provisions of IT Solutions
4	The systems developed through ICT solutions	<ul style="list-style-type: none"> <li>• File Tracking System (FTS)</li> <li>• Asset Management System (AMS)</li> <li>• Registration and Certification of Environmental Laboratories, Industries and consultants</li> <li>• Environmental Assessment System</li> <li>• Complaint management System</li> <li>• Android application for Site Inspection Report</li> <li>• Android Application for Complaint Inspection report</li> <li>• Android Application for Environment Protection Order</li> <li>• Android Application for Laboratories Inspection report</li> </ul>

**Annex-XII**  
(Para#3.4.15)

Sr. No	Poultry Farm Name	Status
<b>District Toba Tek Singh</b>		
1	Kashan Poultry Farm, chak no.666/7 GB Tehsil Kamalia Dist. Toba Tek Singh	A complaint was received against the farm in Dist. Environment office stated therein that poultry farm is constructed in very nearby the residential houses. And there is no proper cleanliness system for waste management. In response Site Inspection report was made by the Agency officials and recommended that owner has adopted the cleanliness measures for adverse environmental impact (smell). Audit holds that SIR is not focused on the construction of poultry from within the residential areas and treatment of waste water and other wastes.
2	Poultry farm, chak no.663/4 GB Tehsil Kamalia Dist. Toba Tek Singh	Site Inspection was made on 12-04-2012. The SIR recommended that said poultry farm is being constructed in violation of Section 12 of PEPA 1997. It also polluting the environment by means of air pollution, so offence is hereby established. Later on, EPO was issued on 29-05-2013. In the compliance report dated 14-07-13 it is stated that measures

		have not been adopted by the farm owner. Audit observed that no further compliance was ensured since 2013 onwards and poultry farm is working without NOC and without adopting proper measures to control environmental impact.
3	Bismillah Poultry farm, chak no. 711 GB Tehsil Kamalia Dist. Toba Tek Singh	Site Inspection Report was forwarded to head office on 31-01-2010. It is stated therein that farm is creating odour problems which will damage the natural environment, human health and safety therefore recommended for issuance of Environmental Protection Order. No further development is made since 2010.
4	Khalid Poultry farm, chak no. 711 GB Tehsil Kamalia Dist. Toba Tek Singh	Site Inspection Report was forwarded to head office on 26-01.2010 stating the above mentioned reasons. No further development is made since 2010.
5	Manzoor Poultry farm, chak no. 708 GB Tehsil Kamalia Dist. Toba Tek Singh	Site Inspection Report was forwarded to head office on 12-10-2009 stating the above mentioned reasons. No further development is made since 2010.
6	Ali Khan Baloch Poultry farm chak no. 708 GB Tehsil Kamalia Dist. Toba Tek Singh	Site Inspection Report was forwarded to head office on 19-10.2015 stating the above mentioned reasons. No further development is made since 2015.

**District Jhang**

<b>Sr. No</b>	<b>Rice Mill Name</b>	<b>Status</b>
1	Subhan Allah Rice Mills	Environmental Protection Agency Lahore issued letter on 25-02-2015 to the owner of Subhan Allah rice mill regarding submission of some essential information for issuance of Environmental Approval. Another reminder was issued on 10-06-2016 and 2 <sup>nd</sup> reminder was issued on 15-12-2016. Audit observed that no further development was made after 2016 and rice mill is operating without obtaining approval.
2	M/S Mukarram Rice Mills	Site Inspection report of the mill was forwarded to Headquarters on 30-12-2010. It was mentioned in the SIR that mill has not obtained environmental approval for operational phase and approval for extension of mill was not obtained. Audit noticed that no further action was taken by the department after 30-12-2010.

3	M/S Abbas Enterprises (rice mills)	Environment Protection Department Lahore issued /accorded approval on 10-05-2010 for construction phase of the project subject to certain conditions and proponent shall ensure compliance of National Environmental Quality Standards (NEQS). Later on, Principal college of Veterinary & Animal Sciences Jhang complaint to Secretary Environment Punjab on 03-01-2012 regarding noise and dust created by the mill. Later on Site Inspection Report (SIR) of the mill was forwarded to head office on 29-01-2012. It is stated therein that said unit has not made proper arrangements for collection of rice husk/dust in covered rooms which cause adverse impacts therefore legal action may be taken against the violator. Audit observed that no further action has been taken even after lapse of seven years.
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**District Mandi Bahauddin**

Sr. No	Rice Mill Name
1	M/S Janjua rice mill, Teh. & Dist. Mandi Bahauddin
2	M/S Zahid rice mill, Kuthila Saidain Teh. & Dist. M. Bahauddin
3	M/S Afzal rice mill, Gujrat Sargodha road Teh. Phalia Dist. M. Bahauddin
4	M/S Ali rice mill Kuthila Saydan Teh. & Dist. Mandi Bahauddin
5	M/S Al- Khalil rice mill Qanchi Teh. Phalia Dist. Mandi Bahauddin

**District Mandi Bahauddin**

Sr. No	Poultry Farm Name	Status
1	M/S Bukhari Protein Farm/poultry control shed Dhol Ranjha	Site Inspection Report was forwarded to Lahore Headquarter on 02-04-2018. Farm is creating environmental pollution. It was recommended that Farm is operating without NOC and operational activities should be stopped till submission of IEE/EIA. No further action was taken so far till audit date i.e.30-06-2019
2	M/S Gondal Protein farm/ poultry control shed Murala Road	-As Above-
3	M/S Tayaba Zia Toor Protein Farm/poultry control shed Village Addhi	-As Above-



4	M/S Zafar Protein Farm/ Village Rukkan	-As Above-
5	M/S Amjad Heer poultry farm Tariqabad Phalia	Environmental Protection Order was issued by EPA Lahore on 28-12-2010. It was ordered that arrange environmentally sound solid/poultry waste management and obtain environmental NOC. Audit observed that no further action was taken by the department since 2010.
6	M/S Abdul Rehman poultry farm Noorpur Mandi Bahauddin	-As Above-
7	M/S Zubair poultry chak Janoo Kalan	-As Above-
8	M/S Zahid Khan poultry Tariqabad Phalia	-As Above-
9	M/S Rashid Ahmed-Allah wali poultry farm Pindi Kaloo Khurd Mandi Bahauddin	-As Above-
10	M/S Safdar Iqbal poultry farm chak Janoo Khurd Mandi Bahauddin	-As Above-

**District Pakpattan**

<b>Sr. No</b>	<b>Name of Cold Store</b>	<b>Current Status</b>
1.	M/S Malik Ali Ahmed Cold Store, Hota road, Arif wala, Pakpattan.	Non-compliance Status Report of earlier issued EPO was sent to HQ vide No. 7726 dated 15-10-2015. No further action was taken.
2.	M/S Ahmed Abdullah Cold store, 147/EB Tehsil Arif wala, Pakpattan.	Personal hearing notice for violation of Section-11 was issued vide no. 2235 Dated 13-11-2017. No further action was taken
3.	M/S Al-Qadir Store Qaboola, Arif wala.	Personal hearing notice issued for violation of section-11 vide no. 203 dated 24-04-2013. No further action was taken.
4.	M/S Jahangir cold store, Sahiwal road, Pakpattan.	Personal hearing notice for violation of section-11 was issued vide no. 2189 dated 28-10-2008. No further action was taken.
5.	M/S Awais cold store, Hota road, Tehsil Arif wala.	Non-compliance status report for earlier issued EPO was sent to HQ vide No. 6459 dated 13-02-2015. No further action was taken.

**Annex-XIII**  
(Para#3.4.26)

Name of Project/ Proponent name	Application Date	Completi on of docs/ reply of queries	Order to conduct SIR	Date of SIR	Approval Date	Type of approv al	Minutes of approving committee
Inland Water Transport, Attock to Daudkhel/ (Irrigation Department Punjab)	16.11.2016	Jan-17	23.11.2016	16.05.2017	21.09.2017	IEE	
Bismillah Protein Farm, Mianwali/	08.06.2017	31.07.2017	13.06.2017	22.06.2017	16.10.2017	IEE	
Five Star Proteins, Faisalabad	06.10.2016	06.10.2016	31.10.2016	25.11.2016	19.09.2017	EIA	19.07.2017
Sajid filling station, Zafarwal, Narowal	01.02.2016		19.01.2017	20.09.2017	27.03.2018	EIA	29.01.2018
Taj Bara Petroleum Services/( Muhammad Aslam Sheikh)	10.05.2016					IEE	19.10.2016
Messers Master Beravilages and food PVT Ltd/( Sheikh Muhammad Asghar)	08.05.2015	28.08.2015 provide missing documents	09.07.2015		17.06.2015	EIA	
Ultra Pack PVT Ltd/( Faisal Atta Sheikh)	18.01.2016	29.01.2016 /15.03.201 6	15.03.2016			EIA	
Colgate Palm Oil PVT Ltd / Syes Sami ul Hasan Zaidi)	23.11.2018	20.12.2018			03.12.2018	EIA	16.05.2019
Ecolene Pakistan Private Limited/(	15.01.2018	06.02.2018	09.03.2018		22.01.2018	EIA	17.09.2018
Mega Severage Scheme/( XEN PHED)	23.06.2017	07.07.2017	29.07.2017		20.06.2017	EIA	25.05.2018
SK Global Pvt Ltd	03.01.2019	06.02.2019	04.02.2019 & 19.02.2019		08.01.2019	EIA	
Maypole Pvt Ltd (Stitching, dying & printing)	06.11.2018	19.11.2018			12.11.2018	EIA	09.04.2019

**Annex- XIV**  
(Para#3.4.27)

<b>Application Date</b>	<b>Proponent name</b>	<b>Name of Project/ type of Project</b>	<b>Order to conduct SIR</b>	<b>Date of SIR</b>	<b>Approval</b>
08.05.2015	Sheikh Muhammad Asghar	Messers Master Beverages and food PVT Ltd	17.06.2015	10.08.2015	06.06.2018
18.01.2016	Faisal Atta Sheikh	Ultra pack PVT Ltd			20.11.2017
23.11.2018	Syes Sami ul Hasan Zaidi	Colgate Palm Oil PVT Ltd	03.12.2018	20.12.2018	01.07.2019
15.01.2018		Ecolene Pakistan Private Limited	22.01.2018	16.02.2018	22.10.2018
23.06.2017	XEN PHED	Mega Severage Scheme	20.06.2017	20.06.2017	21.06.2018
14.01.2015		M/s Salman Textile Mills			13.03.2015
22.01.2015		M/s Ulfat Textile Mills		17.02.2015	17.04.2015
		Saad Textile Pvt Ltd		09.02.2015	27.03.2015
		M/s Golden Textile Pvt Ltd		16.02.2015	17.04.2015
12.02.2015		M/s Darna Techno Pakistan Pharmaceuticals			16.04.2015
09.02.2015		M/s DG Khan Cement		30.04.2015	29.01.2016
09.05/2015		M/s Askar Oil Services		15.09.2015	31.05.2016
08.10.2015		M/s Ahmad Abbas Petroleum Services		23.12.2015	23.05.2016
13.01.2015		M/s Sughra Impex Industry Unit		07.02.2015	27.02.2015

**Annex-XV**  
(Para#3.4.28)

<b>S. No</b>	<b>Name of Project/ type of Project</b>	<b>Applica- tion Date</b>	<b>Order to conduct SIR</b>	<b>Date of SIR</b>	<b>Approval</b>	<b>Remarks</b>
1.	Inland Water Transport, Attock to Daudkhel	16.11.2016	23.11.2016	16.05.2017	21.09.2017	Construction started before approval
2.	KIMS, Institute, Lahore	29.12.2017	19.01.2018	26.01.2018	10.4.2018	Construction started before approval
3.	Bismillah Protein Farm, Mianwali	08.06.2017	13.06.2017	22.06.2017	16.10.2017	Construction started before approval
4.	Five Star Proteins, Faisalabad	06.10.2016	31.10.2016	25.11.2016	19.09.2017	Construction started before approval
5.	Sajid filling station, Zafar Wal, Narowal	01.02.2016	19.01.2017	20.09.2017	27.03.2018	Construction started before approval
6.	Coal Mining lease 492.86 acres near Ratucha, Chakwal	17.01.2019	25.01.2019	18.05.2019	Pending	Ten out of three mines were found operational
7.	Pioneer Cement plant Khushab	06.03.2017				The proponent was issued NOC for construction phase on 27.07.2018. whereas, the same was found operational

**Annex-XVI**  
(Para#3.4.30)

S#	Name of Unit	Remarks
1.	Comfort Knitwear's Pvt. Limited	The sample was taken on 05.06.2017 and Lab test was done on 19.06.2017. No further action was taken.
2.	Ali Murtaza Associates Pvt. Limited	The sample was taken on 09.06.2017 and Lab test was done on 29.06.2017. Third hearing notice issued on 08.12.2017. Reply dated 23.01.2018 was also received. No further action was taken.
3.	Taiga Apparel (Pvt) Limited	The sample was taken on 23.05.2017 and Lab test was done on 19.06.2017. No further action was taken.
4.	Nishat Mills (Apparel Division)	The sample was taken on 24.05.2017 and Lab test was done on 19.06.2017. SIR issued on 20.06.2019. No further action was taken.
5.	Nishat Dyeing and Finishing	The sample was taken on 30.05.2017 and Lab test was done on 29.06.2017. No further action was taken.
6.	Crescent Dyeing and Textile.	The sample was taken on 01.06.2017 and Lab test was done on 29.06.2017. First hearing notice issued on 25.09.2017. Reply dated 23.01.2018 was also received. No further action was taken.
7.	AB Mauri Pakistan Pvt. Limited.	The sample was taken on 06.06.2017 and Lab test was done on 29.06.2017. SIR issued on 25.05.2017. Reply dated 08.09.2017 was also received. No further action was taken.
8.	Sarena Appreal Private Limited	The sample was taken on 09.06.2017 and Lab test was done on 29.06.2017. Third hearing notice issued on 16.12.2017. No further action was taken.
9.	Rustam Towel Private Limited	The sample was taken on 29.06.2017 and Lab test was done on 13.06.2017. No further action was taken.
10.	Yousif Dyeing	The sample was taken on 15.06.2017 and Lab test was done on 29.06.2017. SIR was issued on 21.02.2019. Second hearing notice was issued on 10.04.2019. No further action was taken.
11.	Alnoor Paper & Board Mills.	The sample was taken on 15.06.2017 and Lab test was done on 29.06.2017. Third hearing notice was issued on 16.12.2017. No further action was taken.
12.	Reliance	The sample was taken on 19.06.2017 and Lab test was done on

	Apparel	29.06.2017. No further action was taken.
13.	3 A Apparels	The sample was taken on 03.07.2017 and Lab test was done on 24.07.17. SIR was issued on 20.06.19. No further action was taken.
14.	Top Trade Clothing	The sample was taken on 03.07.2017 and Lab test was done on 24.07.2017. SIR was issued on 31.01.2019. Second hearing notice was issued on 14.05.2019. No further action was taken.
15.	Feiya Embroidery Thread.	The sample was taken on 04.07.2017 and Lab test was done on 24.07.2017. Request for SIR was moved on 09.07.2019. SIR was issued on 20.06.2019. No further action was taken.
16.	Nasrullah Printing (Mezan).	The sample was taken on 04.07.2017 and Lab test was done on 24.07.2017. No further action was taken.
17.	Awais Fancy Embriodery	The sample was taken on 17.08.2017 and Lab test was done on 28.08.2017. SIR was issued on 15.03.2018. Second hearing notice was issued on 15.01.2018. No further action was taken.
18.	Texture & Ramay Textile)	The sample was taken on 22.08.2017 and Lab test was done on 11.09.2017. SIR was issued on 16.12.2017. First hearing notice was issued on 13.11.2017. No further action was taken.
19.	Sheikh Noor ud Din and Sons	The sample was taken on 23.08.2017 and Lab test was done on 11.09.2017. No further action was taken.
20.	Comfort Spinning	SIR was issued on 29.12.2016. First hearing notice was issued on 27.04.2017. No further action was taken.
21.	Saleem Tampering Unit,	SIR was issued on 02.12.2014. Second hearing notice was issued on 13.02.2015. The EPO was issued on 19.03.2015. Second non-compliance report was issued on 18.01.2017. Summons issued on 25.02.2016. No further action was taken.
22.	Naeem Tempering Works, SIE, Sialkot	The SIR was issued 13-06-2012. Third hearing notice was issued on 17.09.2012. EPO was issued 30.04.2013. Second non-compliance report was issued 20.01.2017. Summons was issued on 27.02.2016. No further action was taken.
23.	Ijaz Tempring Unit, SIE, Sialkot	The SIR was issued on 17.04.2015. Second hearing notice was issued on 02.06.2015. EPO was issued on 95.09.2015. Second non-compliance report was issued on 21.01.2017. Summons was issued 10.11.2018. No further action was taken.
24.	Gourmet Sweets & Bakers, SIE, Daska Sialkot	The sample was taken on 06.01.2016 and lab test was done on 23.01.2016. Request for SMR was moved on 04.01.2016. SIR was issued on 08.09.2015 and fresh SIR was issued 04-02-2016. Third hearing notice issued on 03.01.2016. EPO was issued on 03.08.2017. First non-compliance report was issued on 09.11.2017. Summons was issued on 10.02.2016. No further action was taken.

25.	Unees Surgical Unit, Chah Lularian, Kotli Bahram, Sialkot	The sample was taken on 15.01.2019 and lab test was done on 01.02.2019. Request for SMR was moved on 10.01.2019. SIR was issued on 08.06.2012. First hearing notice was issued on 12.12.2012. EPO was issued on 14.10.2013. First non-compliance report was issued on 25.01.2014. Summons was issued on 01.03.2016.
26.	Sohail/Sarfraz Temper SIE, Sialkot	The SIR was issued on 09.06.2012. Second hearing notice was issued on 15.03.2013. EPO was issued on 30.04.2013. Second non-compliance report was issued on 23.01.2017. Summons was issued on 27.02.2016. No further action was taken.
27.	Abbas Temper, Small Indust. Estate, Sialkot	The request for SMR was moved on 12.12.2015. SIR was issued on 27.02.2015. Second hearing notice was issued on 21.05.2015. EPO was issued on 02.03.2016. No further action was taken.
28.	Shaheen Brick Co, Badiana Pasroor Road Sialkot	The sample was taken on 16-01-2019 and lab test was done on 24.01.2019. SIR was issued on 29.12.2018. Second hearing notice was issued on 07.03.2019. EPO was issued on 07.08.2019. No further action was taken.
29.	Cheema Brick Co, Sambrial Sialkot	The sample was taken on 25-02-2019 and lab test done on 27.02.2019. First hearing notice was issued on 26.02.2019. EPO was issued on 26.08.2019. No further action was taken.
30.	M/S sohail tempering	The sample was taken on 23-01-2019. The request for SMR was moved on 09.06.2012. EPO was issued on 13.05.2013 with the directions that remedial measures be adopted to control air pollution in NEQS. Treat waste water within NEQS. No further action was taken.
31.	M/S M.Shafique Sargical	The sample was taken on 14-04-2016. Lab test was taken on 29.04.2016 and request for SMR was moved on 28.10.2014. EPO was issued on 21.02.2017. No further action was taken.
32.	M/S Saleem Tempering	The sample was taken on 11.02.2019. Request for SMR was moved on 04.12.2014. EPO was issued on 25.03.2015 with the directions to take measures to regularize violation of 12 from competent forum regarding establishment of your unit. Install wastewater treatment facility in conformity with the NEQS. Immediately stop disposal of untreated wastewater in to open land/constructed septic tank to save the ground water from contamination & public health and arrange of proper disposal of effluent. Improve sanitary conditions in and around

		the unit. DO landscaping and plant trees in the area in consultation with DOE. Otherwise, Stop illegal operational activities of the unit to save environment, health of workers and surrounding community. No further action was taken.
33.	M/S Arshad Tempering Workshop	The sample was taken on 23.02.2015. Lab test was taken on 10.04.2015. Request for SMR was moved on 17.10.2014. EPO was issued on 25.03.2015 with the directions to take Measures to regularize violation of 12 from competent forum regarding establishment of your unit. Install wastewater treatment facility in conformity with the National Environmental Quality Standards (NEQS) and to the satisfaction of this agency. Immediately stop disposal of untreated wastewater in to open land/constructed septic tank to save the ground water from contamination & public health and arrange of proper disposal of effluent. Improve sanitary conditions in and around the unit.DO landscaping and plant trees in the area in consultation with DOE. Otherwise, Stop illegal operational activities of the unit to save environment, health of workers and surrounding community. No further action was taken.
34.	M/S Zaib Tempering Workshop	The sample was taken on 23.02.2015. Lab test was taken on 10.04.2015. Request for SMR was moved on 17.10.2014. EPO was issued on 25.03.2015 with the directions to take Measures to regularize violation of 12 from competent forum regarding establishment of your unit. Install wastewater treatment facility in conformity with the National Environmental Quality Standards (NEQS) and to the satisfaction of this agency. Immediately stop disposal of untreated wastewater in to open land/constructed septic tank to save the ground water from contamination & public health and arrange of proper disposal of effluent. Improve sanitary conditions in and around the unit. DO landscaping and plant trees in the area in consultation with DOE. Otherwise Stop illegal operational activities of the unit to save environment, health of workers and surrounding community. No further action was taken.
35.	M/S Naeem Tempering	The sample was taken on 11.02.2019. Request for SMR was moved on 19.12.2012. EPO was issued on 08-05-2013 with the directions that Remedial measures be adopted to control air pollution in NEQS. Treat waste water within NEQS. No further action was taken.
36.	M/S Ijaz Tannery(Palm and Fingers)	The sample was taken on 29.09.2018. The request for SMR was moved on 14.03.2019. EPO was issued on 03.05.2019 with the directions that Install effluent treatment plant in six months. No further action was taken.
37.	M/S	The sample was taken on 29.08.2018. The request for SMR was



	Mashallah Tannery	moved on 14.03.2019. EPO was issued on 03.05.2019 with the directions to install effluent treatment plant in six months. No further action was taken.
38.	M/S Naz Tannery	The sample was taken on 29.08.2018. The request for SMR was moved on 25.03.2019. EPO was issued on 03.05.2019 with the directions to install effluent treatment plant in six months. No further action was taken.
39.	M/S Muneer Tannery	The sample was taken on 25.10.2018 and Lab test was taken on 03.11.2019. The request for SMR was moved on 27.04.2019. EPO was issued on 03.07.2019 with the directions to install effluent treatment plant in six months. No further action was taken.
40.	M/S Shahid Tannery	The sample was taken on 29.08.2018. The request for SMR was made on 22.04.2019. EPO was issued on 03.07.2019 with the directions to install effluent treatment plant in six months. No further action was taken.
41.	M/S Jay Enn Corporation	The sample was taken on 08.03.2018. The request for SMR was made on 26.04.2019. EPO was issued 03.07.2019 with the directions to install effluent treatment plant in six months. No further action was taken.
42.	M/S Dilawar Tannery	The sample was taken on 27.10.2018. Lab test was taken on 03.11.2018. The request for SMR was made on 14.03.2019. EPO was issued on 04.05.2019 with the directions to install effluent treatment plant in six months. No further action was taken.
43.	M/S Loudhi Tannery	The sample was taken on 30.08.2018. The request for SMR was made on 25.03.2019. EPO was issued on 04.05.2019 with the directions to install effluent treatment plant in six months. No further action was taken.
44.	M/S Bonzar Sports Tannery	The sample was taken on 25.10.2018. The lab test was taken on 03.11.2019. Request for SMR was moved on 27.04.2019. EPO was issued on 04.07.2019 with the directions to install effluent treatment plant in six months. No further action was taken.
45.	M/S Seminar Tannery	The sample was taken on 18.10.2018. Request for SMR was moved on 29.04.2019. EPO was issued on 05.07.2019 with the directions to install effluent treatment plant in six months. No further action was taken.
46.	M/S Ramzan Tannery	The sample was taken on 29.09.2018. Request for SMR was moved on 29.04.2019. EPO was issued on 05.07.2019 with the directions to install effluent treatment plant in six months. No further action was taken.
47.	M/S M.R (Razzaq)	The sample was taken on 29.09.2018. Request for SMR was moved on 29.04.2019. EPO was issued on 05.07.2019 with the directions to

	Tannery	install effluent treatment plant in six months. No further action was taken.
48.	M/S Mehar Waris Tannery	The sample was taken on 29.09.2018. Request for SMR was moved on 26.04.2019. EPO was issued on 06.07.2019 with the directions to install effluent treatment plant in six months. No further action was taken.
49.	M/S Adress surgical	The sample was taken on 15.01.2019. The lab test was taken on 01.02.2019. Request for SMR was moved on 13.06.2012. EPO was issued on 11.10.2013 with the directions to immediately stop illegal operation activities of the unit to save environment and health of surrounding community. No further action was taken.
50.	M/S Sani Gloves	The sample was taken on 11.10.2018. Request for SMR was moved on 22.04.2019. EPO was issued on 18.06.2019 with the directions to install effluent treatment plant in six months. No further action was taken.
51.	M/S Khadim Tannery	The samples was taken on 26.12.2017 & 15.10.2018. The request for SMR was moved on 29.03.2019. EPO was issued on 21.05.2019 with the directions to install effluent treatment plant in six months. No further action was taken.
52.	M/S Ghulam Nazeer Tannery	The sample was taken on 25.10.2018. The lab test was taken on 03.11.2019. Request for SMR was moved on 03.04.2019. EPO was issued on 22.05.2019 with the directions to install effluent treatment plant in six months. No further action was taken.
53.	M/S A.N Leathers Tannery (Sehat Mand Tannery)	The sample was taken on 25.10.2018. The lab test was taken on 03.11.2019. Request for SMR was moved on 29.03.2019. EPO was issued on 22.05.2019 with the directions to install effluent treatment plant in six months. No further action was taken.
54.	M/S Shaukat Tannery	The sample was taken on 27.10.2018. The lab test was taken on 03.11.2018. Request for SMR was moved on 03.04.2019. EPO was issued on 24.05.2019 with the directions to install effluent treatment plant in six months. No further action was taken.
55.	M/S Dr. Saeed Tannery	The sample was taken on 27.10.2018. The lab test was taken on 03.11.2018. Request for SMR was moved on 14.03.2019. EPO was issued on 24.05.2019 with the directions to install effluent treatment plant in six months. No further action was taken.
56.	M/S Ch. Nazir Tannery	The sample was taken on 27.10.2018. The lab test was taken on 03.11.2018. Request for SMR was moved on 29.03.2019. EPO was issued on 24.05.2019 with the directions to install effluent treatment plant in six months. No further action was taken.
57.	M/S Yaqoob	The sample was taken on 25.10.2018. The lab test was taken on

	Tannery (Sahi Tannery)	03.11.2019. Request for SMR was moved on 14.03.2019. EPO was issued on 29.04.2019 with the directions to install effluent treatment plant in six months. No further action was taken.
58.	M/S Fateh Muhammad Tannery	The sample was taken on 30.08.2018. The request for SMR was moved on 14.03.2019. EPO was issued on 29.04.2019 with the directions to install effluent treatment plant in six months. No further action was taken.
59.	M/S Abdullah Leather Tannery	The sample was taken on 19.10.2018. The request for SMR was moved on 14.03.2019. EPO was issued on 29.04.2019 with the directions to install effluent treatment plant in six months. No further action was taken.
60.	M/S Sialkot Pak Sports	The sample was taken on 25.10.2018. The lab test was taken on 03.11.2019. Request for SMR was moved on 13.03.2019. EPO was issued on 30.04.2019 with the directions to install effluent treatment plant in six months. No further action was taken.
61.	M/S Ali Leathers Tannery	The sample was taken on 25.10.2018. The lab test was taken on 03.11.2019. Request for SMR was moved on 14.03.2019. EPO was issued on 30.04.2019 with the directions to install effluent treatment plant in six months. No further action was taken.
62.	M/S Rakha Tannery	The sample was taken on 29.10.2018. Request for SMR was moved on 27.04.2019. EPO was issued on 31.08.2019 with the directions to install effluent treatment plant in six months. No further action was taken.
63.	Hall Mark Apparel	The sample was taken on 17.08.2017. The lab test was taken on 28.08.2017. Implementation orders were issued on 16.07.2018. Third hearing notice was issued on 20.03.2018. EPO was issued on 09.03.2018. Non-compliance report was issued on 09.07.2018. De-sealing date was 07.09.2018 with 60 days warning period. No further action was taken.
64.	Four Brothers Chemicals	The sample was taken on 16.08.2017. The lab test was taken on 28.08.2017. Request for SMR was moved on 19.09.2018. Hearing notice was issued on 29.09.2017. EPO was issued on 05.03.2019. Non-compliance report was issued on 13.03.2019. No further action was taken.
65.	Pesticides formulation Industries Pvt Ltd (Bajwa Bros)	The sample was taken on 16.08.2017. The lab test was taken on 28.08.2017. Request for SMR was moved on 19.09.2018. Third hearing notice was issued on 11.02.2019. EPO was issued on 11.02.2019. Non-compliance report was issued on 13.05.2019. No further action was taken.
66.	Premier	The sample was taken on 14.06.2017. The lab test was taken on

	Leather Pakistan Private Limited	29.06.2017. Third hearing notice was issued on 13.11.2017. EPO was issued on 15.01.2018. Non-compliance report was issued on 30.05.2018. No further action was taken.
67.	Khursheed Sons Embroidery Thread	The sample was taken on 16.08.2017. The lab test was taken on 28.08.2017. Hearing notice was issued on 16.10.2017 with 90 days mitigation period. EPO was issued on 15.01.2018. Non-compliance report was issued on 30.05.2018. No further action was taken.
68.	Bundu Khan Food Pvt Ltd	The sample was taken on 17.08.2017. The lab test was taken on 28.08.2017. Request for SMR was moved on 10.07.2018. Third hearing notice was issued on 20.03.2018. EPO was issued on 16.07.2018. Non-compliance report was issued on 09.07.2018. Request for de-sealing was moved on 17.07.2018 and de-sealing date was 03.10.2018. Warning period was 3 months. No further action was taken.
69.	Knots International Private Limited	The sample was taken on 06.06.2017. The lab test was taken on 29.06.2017. Implementation orders was issued on 19.10.2018. Second hearing notice was issued on 31.11.2017 with 90 days mitigation period. EPO was issued on 20.03.2018. Non-compliance report was issued on 09.07.2018. Request for de-sealing was moved 19.11.2018. No further action was taken.
70.	Briter Engineering Pvt Ltd	The sample was taken on 22.08.2017. The lab test was taken on 11.09.2017. Hearing notice was issued on 13.11.2017 with 90 days mitigation period. EPO was issued on 20.03.2018. Non-compliance report was issued on 09.08.2018. No further action was taken.
71.	Chawla Chemical and Metal Industry	The sample was taken on 23.08.2017. The lab test was taken on 11.09.2017. Implementation orders were issued on 24.09.2018. Hearing notice was issued on 13.11.2017 with 90 days mitigation period. EPO was issued on 20.03.2018. De-sealing dated was 27.10.2018. Warning period was 90 days. No further action was taken.
72.	lazienda denim stitching unit	Implementation orders were issued on 16.07.2018. Hearing notice was issued on 13.11.2017 with 90 days mitigation period. EPO was issued on 20.03.2018. Non-compliance report was issued on 09.07.2018. Request for de-sealing was 20.07.2018. No further action was taken.
73.	Nadir Dyeing.	The sample was taken on 19.06.2017. The lab test was taken on 29.06.2017. Second hearing notice was issued on 29.09.2017 with 90 days mitigation period. EPO was issued on 24.01.2018. Non-compliance report was issued on 30.05.2018. No further action was taken.
74.	Kamal ltd. (Garments Division)	The sample was taken on 17.08.2017. The lab test was taken on 28.08.2017. Second hearing notice was issued on 16.12.2017. EPO was issued on 27.04.2018. Non-compliance report was issued on

		09.08.2018. No further action was taken.
75.	Pensy Garments	The sample was taken on 22.05.2017. The lab test was taken on 19.06.2017. Third hearing notice was issued on 20.10.2017. Mitigation period was 3 months. Non-compliance report was issued on 28.01.2017. No further action was taken.
76.	AB Mauri Pakistan Private Limited.	The sample was taken on 06.06.2017. The lab test was taken on 29.06.2017. Implementation orders was issued on 08.06.2018. SIR was issued on 25.05.2017. Hearing notice was issued on 21.06.2017. Request for de-sealing was made on 11.06.2018. No further action was taken.

**Annex-XVII**  
(Para 3.4.31)

Sr #	Complaint No	Date of Receipt	Description	Status	Next Date of Hearing
1	500/18	29.08.2018	M/s TMA Gujrat	Arguments	04.09.2019
2	501/18	29.08.2018	M/s Siddiq Sons Dying & Painting, Lahore	Arguments	11.09.2019
3	453/18	03.07.2018	M/s Ali Lab, Sheikhpura	Consign	01.02.2019
4	618/18	03.09.2018	Al-Makkah City Hosuing Scheme Bahawalnagar	Fresh	
5	619/18	03.09.2018	Ali-Habib Town Housing Scheme Bahawalnagar	Fresh	
6	620/18	03.09.2018	Hakim Ullah Rice Mills Bahawalnagar	Fresh	
7	621/18	03.09.2018	Ittihad City Housing Scheme Bahawalnagar	Fresh	
8	622/18	03.09.2018	Labour Housing Scheme Bahawalnagar	Fresh	
9	623/28	03.09.2018	Rahman Garden Housing Scheme Bahawalnagar	Fresh	
10	624/18	03.09.2018	Sukh Chain Housing Scheme Bahawalnagar	Fresh	
11	625/18	03.09.2018	Al-Habib City Housing Scheme Bahawalnagar	Fresh	
12	626/18	03.09.2018	Akber City Housing Scheme Bahawalnagar	Fresh	
13	627/18	03.09.2018	Al-Karam City Housing Scheme Bahawalnagar	Fresh	
14	628/18	03.09.2018	Khour Crude Oil Decanting	Fresh	

			Storage and Pumping Facility		
15	142/18	08.05.2019	Green Valley Housing Society Pakpattan	Notice	02.10.2019
16	449/18	03.07.2018	M/s Hubco Power Plant Distt. Narowal	Pending	05.09.2019
17	450/18	03.07.2018	M/s Adam Sugar Mills, Distt. Bahawal Nagar	Pending	23.09.2019
18	451/18	03.07.2018	M/s Shahid Stone Grinding Unit, Gujranwala	Pending	11.09.2019
19	454/18	03.07.2018	M/s Afaq and Dinal Steel Industry, Sheikhpura	Pending	10.09.2019
20	457/18	03.07.2018	M/s Gourmet Restaurant, Lahore	Pending	24.09.2019
21	459/18	03.07.2018	M/s Mono Industries Lab, Lahore	Pending	04.09.2019
22	460/18	03.07.2019	M/s Waseem Bituman Melting & Refilling Plant, Lahore	Pending	05.09.2019
23	461/18	03.07.2019	M/s Hijab Hospital, Lahore	Pending	02.09.2019
24	464/18	03.07.2019	M/s Trade Serve, Lahore	Pending	23.09.2019
25	466/18	03.07.2019	M/s Ehsan Ali Steel Farnis, Lahore	Pending	05.09.2019
26	469/18	16.07.2018	M/s Qadri Calendring, Faisalabad	Pending	21.09.2019
27	471/18	17.07.2018	M/s Noman and Company, Lahore	Pending	09.09.2019
28	472/18	16.07.2018	Al-Meraj Cotton Waste, Faisalabad	Pending	23.09.2019
29	473/18	16.07.2018	Sultan Steel Reloing Lahore	Pending	18.09.2019
30	475/18	16.07.2018	Haji Arif Cotton Waste, Faisalabad	Pending	21.09.2019
31	476/18	16.07.2018	M/s Yahya Bakhtiar Plaza, Faisalabad	Pending	21.09.2019
32	478/18	16.07.2018	M/s Ramzan Cold Storage, Okara	Pending	17.09.2019
33	480/18	16.07.2018	M/s Faiz Ara Machine, Faisalabad	Pending	17.09.2019
34	481/18	16.07.2018	M/s Lateef Brothers, Lahore	Pending	09.09.2018
35	484/18	16.07.2018	Iftikhar Dying Unit, Faisalabad	Pending	09.09.2018
36	485/18	16.07.2018	M/s Sargodha Colth Processing, Faisalabad	Pending	21.09.2019

37	487/18	16.07.2018	M/s Sharif Textile, Faisalabad	Pending	21.09.2019
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**Annex-XVIII**  
(Para#3.4.34)

S. No.	Name of Unit	Remarks
1	Four Brothers Chemicals	The sample was taken on 16-08-2017, Lab test was done on 28-08-2017, The request for SMR was made on 19-09-2018, First hearing notice was issued on 29-09-2017, Reply dated 30-11-2017 was also received, The mitigation period was 30 days, EPO was issued on 05-03-2019, First non-compliance report was issued on 13-03-2019, No further action was taken
2	Bundu Khan Food Pvt Ltd	The sample was taken on 17-08-2017, Lab test was done on 28-08-2017, The request for SMR was made on 10-07-2018, Third hearing notice was issued on 20-03-2018, No reply was received, The mitigation period was 30 days, EPO was issued on 16-07-2018, First non-compliance report was issued on 09-07-2018, Request for de-sealing was made on 17-07-2018, De-sealing date was 03-10-2018, Warning period was 90 days, No further action was taken
3	Pensy Garments	The sample was taken on 22-05--2017, the Lab test was done on 19-06-2017, Third hearing notice was issued on 20-10-2017, Reply dated 20-10-2017 was also received, The mitigation period was 90 days, First non-compliance report was issued on 28-11-2017, No further action was taken
4	Chawla Chemical and Metal Industry	The sample was taken on 23-08-2017, the Lab test was done on 11-09-2017, The request for SMR was made on 09-01-2019, First hearing notice issued on 13-11-2017, The mitigation period was 90 days, EPO was issued on 20-03-2018, De-sealing date was 27-10-2018, Warning period was 90 days, No further action was taken
5	Hall Mark Apparel	The sample was taken on 17-08-2017, the Lab test was done on 28-08-2017, Third hearing notice issued on 20-03-2018, The mitigation period was 30 days, EPO was issued on 09-03-2018, First non-compliance report was issued on 09-07-2018, De-sealing dated was 07-09-2018, Warning period was 60 days, No further action was taken

**Annex-XIX**  
(Para#3.4.40)

Sr. #	Gap(s) identified	Priority
1.	Audit Committee for EPD is comprised of Section Officer (Technical) EPD, Superintendent (Estt.) EPD, Budget & Accounts Officer EPA and Assistant Director (Planning & Coordination) EPA, but this committee is not part of the	Pre-accreditation

	organizational structure provided, further, the committee has held no meetings since its inception.	
2.	PC-III forms are not available. PC-III forms are Monthly Progress Reporting Forms, which serve the purpose of Monitoring of active projects / schemes, and are required to be submitted to the P&D Department for information and evaluation.	Pre-accreditation
3.	There is no formal process for setting annual Departmental objectives and aligning those objectives with the overall objective of EPD. Furthermore, indicators to measure objectives and reporting lines are not defined.	Pre-accreditation
4.	Budgetary checks are not performed at the time of requisition/commitment instead it is checked at the time of invoice/payment processing.	Pre-accreditation
5.	TORs of the audit committee have not been defined and the committee has held no meetings since its inception.	Pre-accreditation
6.	Internal audit manual does not exist.	Pre-accreditation
7.	No internal audit activity has been performed at the EPD, therefore, no internal audit reports are available.	Pre-accreditation
8.	Procurement manuals have not been formulated by EPD. Moreover, conflict of interest policy does not exist.	Pre-accreditation
9.	There are several audit paras/observations of the Auditor General of Pakistan that have not been settled by the EPD. Some observations date as back as the year 2000.	Pre-accreditation
10.	Standard forms (e.g with sequential pre-numbering) are not in place for fundamental aspects of the procurement system such as purchase orders and good received notes.	Pre-accreditation
11.	An Ethics Committee does not exist.	Pre-accreditation
12.	Financial disclosure policy does not exist.	Pre-accreditation
13.	Policy for whistleblowing and whistle blower protection mechanism do not exist.	Pre-accreditation
14.	The documents reviewed do provide detailed policies and guidelines with regard to project identification, preparation and appraisal but procedural level guidance is lacking. There is no clarity over the functions and personnel level responsibilities of the EPD / Government Department level personnel.	Pre-accreditation
15.	Procedure level guidance on the monitoring and evaluation function is not available.	Pre-accreditation
16.	The documents provided to audit did not represent any monitoring & evaluation carried out, either by EPD or by DGM&E during implementation of projects. Furthermore, the evaluation reports made available all relate to post-completion evaluation of the projects / schemes.	Pre-accreditation
17.	There is no evaluation disclosure policy.	Pre-accreditation
18.	The guidelines prepared by EPD for grant awards to NGOs do not include procedures related to suspension, reduction or termination of grant.	Pre-accreditation



19.	EPD does not currently have an approved E&S policy. The policy is currently in its draft phase and not yet implemented.	Pre-accreditation
20.	The draft E&S policy does not cover the areas addressed by Performance Standards.	Pre-accreditation
21.	No templates or benchmarks have been defined for categorization of project as A, B or C. only general guidance has been provided such as “significant adverse environmental impacts”, “potential adverse”, “minimal or no adverse”.	Pre-accreditation
22.	Environmental metrics / indicators not available. Policy not yet implemented. Furthermore, there is no regular reporting procedure to inform head office about whether these mitigation measures have been implemented. Moreover, EPA does not prepare and publish an annual Punjab Environmental Report on the state of the environment as required under 6(d) of the Punjab Environmental Protection Act, 1997.	Pre-accreditation
23.	Detailed procedural level guidance has not been provided in the policy regarding complaints/grievances. Furthermore, process for in-house complaint management is yet to be developed. Currently, complaints are handled by the office of the Chief Minister of the Punjab.	Pre-accreditation
24.	EPD intends to adopt the Punjab Gender Empowerment and Women Development Policy 2017 which has been formulated by the Women Development Department, Government of the Punjab, however, the said policy is pending approved by the provincial Cabinet. Further, Gender Checklist are not developed to monitor gender related consideration at project level. DPS has not conducted any staff and community training on Gender and on Gender & Climate Change.	Pre-accreditation
25.	Detailed description in respect of 3 different projects with specific reference to women and men who have benefitted from climate change projects is not available as no such exercise is carried out.	Pre-accreditation