



**AUDIT REPORT
ON
THE ACCOUNTS OF
GOVERNMENT OF BALOCHISTAN
AUDIT YEAR 2020-21**

AUDITOR-GENERAL OF PAKISTAN

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ABBREVIATIONS AND ACRONYMS

AASHTO	All American State Highways Technical Officials
AG	Accountant General
APPM	Accounting Policies and Procedures Manual
APUG	All Pakistan Unified Group
BINUQ	Balochistan Institute of Nephrology and Urology, Quetta
B&R	Buildings and Roads
BOQ/BoQ	Bill of Quantities
BPPRA	Balochistan Public Procurement Regularity Authority
BPPRs	Balochistan Public Procurement Rules
BSTS	Balochistan Sales Tax on Services
CNIC	Computerized National Identity Card
CGA	Controller General of Accounts
CPWA	Central Public Work Accounts
CPWD	Central Public Works Department
C&W	Communication and Works
CMS	Content Management System
CSR	Composite Schedule of Rates
Cft.	Cubic Feet
Cum.	Cubic Meter
CV	Cash Voucher
DAC	Departmental Accounts Committee
DAO	District Accounts Office
DD	Deputy Director
DDO	Drawing and Disbursing Officer
DG	Director General
DoP/DOP	Date of purchase
DPO	District Police Officer
E&M	Electrical and Mechanical
ECNEC	Executive Committee of National Economic Council
ERP	Enterprise Resource Planning
FTR	Federal Treasury Rules

GBPS	Government Boys Public School
GFR	General Financial Rule(s)
GI	Galvanized Iron
GoB/GOB	Government of Balochistan
HEC	Higher Education Commission
Hq/HQ	Headquarter
ICC	International Chamber of Commerce
IBTL	Inbox Business Technology Pvt. Limited
ISA	Inter Security Allowance
JE	Journal Entry
Kg./Kg	Kilogram
Km	Kilometer
MB	Measurement Book
MD	Managing Director
MFDAC	Memoranda for Departmental Accounts Committee
M	Meter
OM	Office Memorandum
mm	Millimeter
MSD	Medical Store Depot
NBP	National Bank of Pakistan
NIT	Notice Inviting Tender
NOC	No Objection Certificate
NSR	Non-Schedule Rate
OFWM	On Farm Water Management
O&M	Operation and Maintenance
PAC	Public Accounts Committee
PC	Project Coordinator
PC I	Planning Commission (Performa I)
PFHA	Pasni Fish Harbor Authority
PD	Project Director
P&D	Planning and Development
P/F	Providing and Fixing
PEC	Pakistan Engineering Council
P/L	Providing and Laying
POL	Petroleum, Oil and Lubricants

PSDP	Public Sector Development Program
PTA	Provincial Transport Authority
QESCO	Quetta Electric Supply Company
RCC	Reinforcement Cement Concrete
RDs	Reduce Distances
Rft.	Running Feet
RTA	Regional Transport Authority
SAP	System Application Product
SAE	Self Accounting Entity
SBP	State Bank of Pakistan
SBK	Sardar Bahadur Khan Women's University
SDO	Sub Divisional Officer
Sft.	Square Feet
SRO	Statutory Regulatory Order
S/R	Supplying and Repairing
TO/TOs	Treasury Office(s)
UoB	University of Balochistan
UPVC	Unplasticized Polyvinyl Chloride
V. No.	Voucher Number
Vol./Vol	Volume

PREFACE

Articles 169 and 170 of the constitution of Islamic Republic of Pakistan, 1973, 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 from the Consolidated Fund and Public Accounts of the Federation and of each Province; and the accounts of any authority or body established by the Federation or a Province.

The report is based on audit of the accounts of various departments and autonomous bodies of Government of Balochistan (GoB) for the Financial Year 2019-20 and accounts of some entities of departments pertaining to previous financial years. Directorate General of Audit, Balochistan conducted audit during 2020-21 on test check basis with a view to reporting significant findings to the relevant stakeholders. The main body of the Audit Report includes only the systemic issues and audit findings valuing Rs. 1 million or more. Relatively less significant issues are given in the Annexure 1 of the Audit Report. The audit observations listed in the Annexure 1 shall be pursued with the Principal Accounting Officer at the DAC level and in all cases, where the PAO does not initiate appropriate action; the audit observations will be brought to the notice of the Public Accounts Committee (PAC) through the next year's Audit Report. Sectoral analysis has been added in this report covering strategic review and overall perspective of audit results.

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

Most of the observations included in the report have been finalized in the light of discussions in the DAC meetings and written responses of the departments/offices.

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

Dated: February 26, 2021

-SD-
(JAVAIJ JEKANGIR)
Auditor General of Pakistan

EXECUTIVE SUMMARY

The Director General Audit, Balochistan carries out the audit of GoB. Provincial Government conducts its operations under the Rules of Business, 1973 that comprises 41 Principal Accounting Officers (PAOs) for different Departments, Attached Departments, Subordinate Offices and certain Autonomous Bodies. Financial provisions of the Constitution describe the Government funds as Provincial Consolidated Fund and Public Account for which Annual Budget Statement is authorized by the Provincial Assembly in the form of budgetary grants. For audit of the same, DG Audit, Balochistan has a human resource of 60 personnel with 14,575 person-days. This office is mandated to conduct regularity (Financial Attest Audit and Compliance with Authority Audit) and Performance Audit of departments and Projects run by these departments.

a. Scope of Audit

This office is mandated to conduct audit of 3,476 formations working under 41 PAOs/SAEs. Total expenditure and receipts of these formations were Rs. 263.521 billion and Rs. 16.448 billion respectively for the financial year 2019-20.

Audit coverage relating to expenditure for the current audit year comprises 234 formations of 22 PAOs/SAEs having a total expenditure of Rs. 93.562 billion and receipt of Rs. 4.034 billion for the financial year 2019-20. In terms of percentage, the audit coverage for expenditure is 35.5% of auditable expenditure.

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

1. Expenditure of Rs. 81.346 billion and receipt of Rs. 1.113 billion for the financial year 2018-19, pertaining to 398 formations of 21 PAOs/SAEs.

In addition to this compliance audit report, Director General Audit, Balochistan conducted 7 Financial Attest Audits, 2 Performance Audits and 2 Special Audits. Reports of these audits are being published separately.

b. Recoveries at the instance of audit

As a result of audit, a recovery of Rs. 9,530.627 million was pointed out in this report. Recovery effected from January to December, 2020 was Rs. 726.322 million that was verified by audit.

c. Audit Methodology

The audit year 2020-21 witnessed intensive application of desk audit techniques in the DG Audit, Balochistan. This was facilitated by access to live SAP/R3 data, intranet, internet facilities, and availability of permanent files. Desk review helped auditors in understanding the systems, procedures, environment, and the audited entity before starting field activity. This greatly facilitated in the identification of high-risk areas for substantive testing in the field.

d. Audit Impact

- i) Change in rules of Balochistan Revenue Authority regarding 6% BSTS withholding at source from (1/5th of) 15%.
- ii) Discontinuation of Balochistan Special Allowance admissible to Pakistan Administrative Service officers along with four return air tickets with family.
- iii) Implementation of GPF Module in SAP R/3.
- iv) Introduction of Balochistan Internal Audit Charter through Balochistan Public Finance Management Act, 2020.

e. Comments on Internal Controls and Internal Audit Department

Audit of the departments and subordinate offices conducted during the year indicated that effective internal controls were missing in most of the organizations and departments. Recurrence of similar irregularities pointed out by statutory audit year after year is a reflection upon the level of effectiveness of internal controls.

Due to absence of proper Internal Control System in the Provincial Government departments and organizations, certain macro issues have emerged, such as:

- Efforts to enhance government receipts were insignificant,
- Stock accounts were either not maintained or maintained improperly,
- Non-recovery of Government taxes and duties,

- Procurement of stores in non-transparent manners,
- Loss to public exchequer due to acts of omission and commission,
- Non-observance of prescribed procedures in the execution of development schemes,

Statutory audit exercises a test check of 35% of the total transactions. The irregularities pointed out by audit, being not exhaustive, are illustrative in nature. Findings of the audit report are results of test check, showing irregularities amounting to Rs. 14,418.890 million. It is obvious that the total volume of the irregularities would be much higher, if the exhaustive audit had been carried out. The executive authorities can learn from the points raised by statutory audit.

f. The key audit findings of the report:

- i. 20 instances of irregular expenditure - Rs. 5,480.251 million¹
- ii. 4 instances of unauthorized expenditure - Rs. 31.861 million²
- iii. 24 instances of overpayment - Rs. 3,671.576 million³
- iv. 4 instances of non-production of records - Rs. 3,062.814 million⁴
- v. 17 instances of recoverable - Rs. 1,386.075 million⁵
- vi. 4 instances of loss sustained by the government - Rs. 165.411 million⁶
- vii. 18 instances of evasion of taxes and duties - Rs. 581.087 million⁷
- viii. 02 instances of doubtful payment - Rs. 39.815 million⁸

¹Para 2.2.2,3.2.7,3.14.2,5.2.6,5.2.7,5.2.11,5.2.19,6.2.3,7.2.1,8.2.1,8.2.2,8.2.3,8.2.4,9.2.2,10.2.5,10.2.6,11.2.3,13.2.1,14.2.6,15.2.2

²Para 2.2.4,6.2.1,6.2.6,6.2.7

³Para 3.2.1,3.2.2,3.2.3,3.2.4,3.4.3,4.2.2,5.2.1,5.2.2,5.2.3,5.2.4,5.2.5,5.2.12,5.2.13,5.2.14,5.2.15,5.2.16,5.2.17,10.2.1,10.2.2,10.2.3,14.2.1,14.2.2,14.2.3,3.6.3

⁴Para 3.12.1,4.2.1,6.2.2,9.2.1

⁵Para 3.2.6,3.4.1,3.6.4,3.10.1,4.2.3,4.2.4,4.2.5,7.2.2,7.2.3,9.2.3,9.2.4,14.2.4,14.2.7,15.2.3,15.2.4,15.2.5,16.1.1

⁶Para 3.6.2,5.2.8,9.2.6,11.2.1

⁷Para 2.2.5,3.2.5,3.4.2,3.8.1,3.10.2,4.2.6,5.2.9,5.2.10,5.2.18,6.2.5,8.2.5,9.2.5,10.2.4,12.2.1,13.2.2,14.2.5,16.1.2,16.1.3

⁸Para 3.12.2,15.2.1

g. Recommendations

- i. PAOs need to comply with the Balochistan Public Procurement Rules (BPPRs) strictly.
- ii. Works departments need to follow composite schedule of rates and prescribed procedures.
- iii. Civil Works should only be executed by the Works departments so that overlapping of development activities could be avoided
- iv. PAOs of revenue earning departments need to make serious efforts for realization of taxes and duties.
- v. BSTS is not being deducted from the bills of services related expenditure of works departments. Serious effort needs to be made by the PAOs to ensure due recovery of BSTS.
- vi. Drawal of public money on abstract bills should be restricted and allowed in cases where it is justified.
- vii. Purpose for which the money is granted should be clearly specified in case of grant-in-aid and no fresh grant should be given without obtaining detailed accounts of the previous grant.
- viii. Public money should not be retained in commercial bank accounts without any justification and permission from the Finance Department.
- ix. Efforts need to be made by the PAOs to recover overpaid amounts.
- x. The PAOs should establish a mechanism of management controls with built-in checks and balances to prevent unauthorized practices and utilization of public assets.
- xi. Non-production of record is a serious irregularity, which hinders audit activity. PAOs need to take disciplinary actions against those officials who are found responsible for non-production of records to audit.
- xii. Inquiries need to be conducted to fix responsibilities for loss and irregular expenditures.

- xiii. Prompt recovery of Government dues, wherever applicable, and their credit in the Government treasury should be ensured.
- xiv. All the PAOs are requested to adhere with the provisions of GFR 10, Vol-I pertaining to standards of financial propriety.
- xv. PAOs should direct their attached departments and field offices to respond to the Audit Inspection Reports well in time and ensure convening of DAC meetings on time and implement decisions taken in the meetings.

Sectoral Analysis

Balochistan is the largest province of Pakistan in size and smallest in terms of population. These distinct features offer both challenges and opportunities of development. On one side, Balochistan bears a high incidence of multidimensional poverty. On the other, the province houses abundant natural resources, which could drive prosperity. However, the province has not been able to optimally capitalize its potential, owing to a myriad of issues.

The 7th National Finance Commission (NFC) has increased the flow of finances from the central government to Balochistan from 7% in the 6th NFC to 9%. However, the socio-economic indicators of the province are yet to improve considerably. The allocative efficiency of the provincial Public Sector Development Programme (PSDP) has remained low. Moreover, Balochistan has not been supported substantially by the Federal Government through its PSDP.

GoB could not utilize around 9% of its planned budget in 2019-20. Saving of Rs. 34,340 billion during 2019-20 was a question mark on the government's ability or priority in terms of spending on special/priority areas. Furthermore, the government spending on development activities remained around 20.2% of the total expenditure, which was quite low.

(Sector wise allocation of Development Budget for 2019-20 is at Table A)

The GoB's original PSDP estimated cost in 2019-20 was Rs. 108,133.643 million and the Final Budget Grant was 89,432.611 million. Projected old development schemes were 853 and new schemes 1,796. Further, as per Final Budget Grant of 2019-20, ongoing schemes were 1,534 and new schemes were 4,235. However, the expenditure incurred on both ongoing/new schemes was Rs. 75,028.760 million. Out of 1,534 old schemes, 1,470 schemes were executed, the incomplete/outstanding/64 old schemes were not executed. Out of 4,235 new

schemes, 4146 were executed. No development scheme for Environment was executed. The Federal Funded Projects' final budget grant was Rs. 27,962.270 million, the actual expenditure was Rs. 18,290.392 million and out of 369 new schemes, only 323 were executed.

GoB's planning for PSDP/development expenditure was checked and it was not found to be highly satisfactory, as there was a huge gap between original and revised PSDPs. The main deviation from original PSDP was the inclusion of new schemes. However, it was noticed during comparative analysis that GoB released budget to 1,534 ongoing schemes (Source: SAP data) against the total of 853 ongoing schemes and released budget for 4,235 new schemes against planned 1,796 new schemes (Source: Original PSDP, 2019-20).

The above instances were noticeable in the developmental planning of GoB and it raised a question regarding development planning and execution. In the sector of other schemes, an expenditure of Rs. 2,185.965 million was incurred on 12 ongoing schemes and 1 new scheme. Furthermore, in the original PSDP, 2019-20, budget of Rs. 10,059.797 million was proposed but the actual released by the Finance Department was Rs. 2,832.123 million. Further, in the Original PSDP, 2019-20, the proposed old schemes were 9 and new schemes were 3 but the budget released by Finance to AG was for 14 ongoing schemes and 1 new scheme. In this sector, the development works were carried out through the Commissioners/Deputy Commissioners though there existed many specialized Public Works departments.

Majority of the sectors were on the low priority. There were 13 sectors having allocations of less than 1 % of the overall PSDP. On the other hand, "Other Schemes" alone had an allocation of 2.9% of the PSDP being the 8th highest allocated sector. It was observed that youth entrepreneurship programmes did not make a part of the PSDP despite the fact that such programmes could help reduce poverty in the province.

The main revenue sectors of the Government are Agriculture, Mines and Minerals and Fisheries but fewer resources were allocated to them. In Water sector,

the government has launched construction of different dams and water supply schemes but the cash flow of these projects was slow. Balochistan has a long coastal belt and beautiful landscapes. Only five schemes were executed and an expenditure of Rs. 42.961 million was incurred for Tourism sector. The Industries sector has also remained neglected whereas, there is a potential of industrial development especially in the wake of the already existing industries (In Quetta and Lasbela) and China Pakistan Economic Corridor (CPEC).

⁹Non-development expenditure of GoB

(Rs. in million)

Head of account	Expenditure 2019-20	% of total expenditure
Employees Related Expenses	124,429	36%
Operating Expenses	35,429	10%
Employees' Retirement Benefits	32,443	9%
Grants Subsidies and Write Off Loans	40,292	12%
Transfers (Scholarships and cash awards)	1,551	0%
Interest Payment	3,430	1%
Physical Assets	87,509	25%
Principal Repayments of Loans	9,404	3%
Investment	11,500	3%
Total	345,987	

On the current expenditure, employees-related expenses consumed about 45% of the expenditure limiting fiscal space for building of assets and operation/maintenance expenditure. An expenditure of Rs. 1,052 million¹⁰ was incurred by different departments without any budgetary allocation and an amount of Rs. 1,977.766 million was less released against the approved budget of Rs. 4,791.079 million¹¹.

⁹ Financial Statements of the GoB, 2019-20

¹⁰ Para No. 1.2.2.1 of Chapter 1 of Audit Report, 2020-21

¹¹ Para No. 1.2.2.2 of Chapter 1 of Audit Report, 2020-21

Moreover, the government has banned purchase of physical assets for austerity measures but the same is being breached upon in the shape of relaxation of ban. A total of Rs. 17,684 million was expended during 2019-20 in this regard.

1. Pension expenditure:

The size of pension expenditure is growing exponentially every year. Pension expenditure in 2019-20 was Rs. 32.468 billion¹² as compared to Rs. 30.206 billion in 2018-19.

2. GPF expenditure:

The payments of GPF for 2019-20 were Rs. 2,646 million¹³ that was 38% of the total GPF receipts of Rs. 7,014 million, while for 2018-19, the GPF payments were Rs. 3,251 million that was 48% of the total GPF receipts. Total GPF receipts of 2019-20 were Rs. 7,014 million that was 4% more than the receipts of 2018-19 i.e. Rs. 6,748 million. Periodically, the FD, GoB seeks the receipts/subscriptions of GPF from AG, Balochistan and later on, the same amount is withdrawn and invested for returns.

3. Foreign debt:

The foreign debt balance for 2019-20 was Rs. 43,519 million that stood reduced from the closing balance of 2018-19 amounting to Rs. 47,932 million¹⁴. Amount paid against Repayment of Principal Foreign Debt for 2019-20 was Rs. 7,737 million that was Rs. 7,327 million during 2018-19.

4. Revenue receipts:

Net revenue receipts of GoB for 2019-20 was Rs. 357,431 million out of which Rs. 282,619 million¹⁵ was received from the Federal Government as taxation

¹² Finance Accounts, GoB, 2019-20

¹³ Finance Accounts, GoB, 2019-20

¹⁴ Financial Statements of GoB, 2019-20

¹⁵ Financial statements of GoB, 2019-20

share, which constituted 79 % of total revenue. This amount of taxation transfer from the Federal Government is 25 % more than the share of 2018-19, Rs. 50,049 million.

The GoB's own tax collection for 2019-20 was Rs. 16,448 million¹⁶ that was 48 % greater than the last year's collection of Rs. 11,133 million. Own tax collection increased because of Indirect Tax i.e. Balochistan Sales Tax on Services summing to Rs. 10,656 million as compared to last year's collection of Rs. 8,796 million and Capital Value Tax on Immoveable Property amounting to Rs. 152 million as compared to the previous year collection of Rs. 74 million.

5. Capital receipts:

Decline in recoveries of investment was observed during 2019-20. Rs. 22 million was recovered which stood reduced from Rs. 66 million, about 67% lesser than the recoveries of 2018-19.

State trading activities showed a positive trend and increased to Rs. 5,142 million during 2019-20 as compared to 2018-19, which were only Rs. 4,462 million.

Analysis of High Risk areas

During execution of audit of GoB, it was observed that the risks as pointed out during the planning phase were the areas that caused loopholes and wastage of public money. It perhaps is because the audit observations conveyed to the executing agencies are not taken seriously for future compliance. Besides, usually, the PAOs lack a formal mechanism and strategy to supervise financial undertaking in line with the previous audit observations.

¹⁶ Financial statements of GoB, 2019-20

For the smooth execution of audit, management of the DG Audit, Balochistan put efforts to make production of the record possible, but despite the same in some instances, the field audit teams were not provided with the auditable records. This led not only to non-achievement of the planned target of audit but also hindered constitutional obligation of DAGP. The audit teams execute audit within planned person-days leaving no room for delay in production or non-production of auditable record. The PAOs and DDOs need to devise plan for ensuring completion and compilation of the completely auditable record at the close of every fiscal year.

Expenditure of pay and allowances without budgetary coverage was a noted feature during the audit. Retention of public money by the government offices was also observed. Besides, improper reconciliation of receipts and expenditure statements with the accounting offices lead to accounting issues. Below is detail of the high risk areas identified during execution of audit, which if noted for compliance would certainly improve financial governance.

A. HR related expenses:

- (i) Payment of pay and allowances beyond admissibility was observed.
- (ii) Drawal of pay and allowances above the sanctioned strength was observed.
- (iii) There is no check on excess payments in pays and allowances that leads to excess payments than authorized expenditure. SAP (HR) has the provision to apply check on the same, on the pattern of contingency and development expenditure, which if invoked, would ensure payments within the schedule of authorized expenditure.
- (iv) Risks of excess payments in GPF and pension were observed. Pension and GPF modules in SAP HR need to be implemented at the earliest.
- (v) The amounts unspent/not required are not surrendered timely resulting in lapse of budgets.

B. Operating expenses:

- (i) It has been a routine exercise of different departments of the GoB that irregular payments are made on account of repair and maintenance of vehicles and POL charges. The POL meant for official business is utilized for personal use of the officers taking benefit from the loophole of non-maintenance of logbooks.
- (ii) In other heads of contingency, audit observed that the departments split up the expenditure to avoid open competition through bidding.
- (iii) In addition, audit observed that the supplier firms are either unregistered or there is no deduction of necessary government taxes.
- (iv) Audit noted that there is little or no concept of stocktaking, maintenance of dead stock registers, acknowledgement receipts etc., leading to fear of wastage of public assets.
- (v) There were no organized records of fixed assets maintained by the GoB.

C. Development expenses:

- (i) During execution of audit, it was observed that there existed flaws in the execution of development projects and schemes. Less deduction or no deduction of the different government taxes was noted and reported. Some instances were observed where the firms were favored through advance payments.
- (ii) There were instances of overpayments and audit observed that Rs. 3,760.029 million were wasted due to either miscalculations, non-adherence to CSR or PC I provisions.
- (iii) Furthermore, there were instances of violations of codal formalities like execution of works without PC II and technical sanctions and final payments to firms without satisfactory completion certificates.

- (iv) The GoB has not developed its own planning manual and the Planning Manual of the Government of Pakistan is in vogue. Planning Commission's Performa from PC II to PC V ensure proper planning, execution and satisfactory completion of development projects. However, in the case, GoB, apart from PC I, in almost projects, the rest of PC II, PC III, PC IV and PC V are either not prepared or given less consideration. It leads to compromised quality of output.
- (v) Besides, projects are initiated without Technical Sanctions of the estimates and feasibility reports (PC II). The execution Performa (PC III) is not maintained that result in time and cost overrun. Completion reports (PC IV) and post completion reports (PC V) ensure not only satisfactory completion, but also achievement of the post completion targets. Hence, it is suggested that the executive engineers (EEs) may be asked to maintain necessary Performa.

D. Revenue receipts:

- (i) Audit observed that the departments dealing with revenue receipts could not achieve their targeted goals. Audit observed that an amount of Rs. 951.623 million was less realized leading to increased budget deficit.
- (ii) Furthermore, it was observed the revenue receipt mechanism is operating on archaic patterns without utilizing the modern means of software and MIS.

Table A

Sector wise allocation of Development Budget as per Original PSDP and comparison with revised/releases of PSDP, 2019-20 and actual payments in the financial year 2019-20
(Rs. in million)

S. No.	Sector	Original PSDP 2019-20	Development Final Budget Grant 2019-20	Development Actual Expenditure 2019-20	Original PSDP 2019-20 (Ongoing/New) Schemes	Development (Ongoing/New) Schemes as per 2019-20 Final Budget Grant	Development (Ongoing/New) Schemes as per 2019-20 Actual Expenditure	% Total
1	Communication	24,592.089	25,092.940	24,931.846	Ongoing 242 New 416	Ongoing 91 New 440	Ongoing 89 New 438	33.230
2	Education	12,680.856	10,617.197	6,944.521	Ongoing 127 New 181	Ongoing 965 New 543	Ongoing 914 New 518	9.256
3	Water	9,098.902	7,062.082	7,015.555	Ongoing 87 New 181	Ongoing 93 New 373	Ongoing 93 New 360	9.350
4	Foreign-aid	4,028.151	11,352.644	2,191.583	Ongoing 13 New 1	Ongoing 5 New 31	Ongoing 5 New 18	2.921
5	Health	8,186.393	4,959.631	4,824.586	Ongoing 64 New 62	Ongoing 46 New 61	Ongoing 44 New 61	6.430
6	Physical Planning and Housing	4,948.503	2,513.529	2,477.299	Ongoing 76 New 40	Ongoing 62 New 47	Ongoing 59 New 47	3.302
7	Public Health Engineering	11,839.667	10,318.432	10,220.474	Ongoing 61 New 516	Ongoing 115 New 1,556	Ongoing 115 New 1,552	13.622
8	Other schemes	10,059.797	2,832.123	2,185.965	Ongoing 09 New 3	Ongoing 14 New 1	Ongoing 12 New 1	2.914
9	Agriculture	3,509.888	2,830.645	2,645.556	Ongoing 36 New 18	Ongoing 20 New 142	Ongoing 20 New 130	3.526

S. No.	Sector	Original PSDP 2019-20	Development Final Budget Grant 2019-20	Development Actual Expenditure 2019-20	Original PSDP 2019-20 (Ongoing/New) Schemes	Development (Ongoing/New) Schemes as per 2019-20 Final Budget Grant	Development (Ongoing/New) Schemes as per 2019-20 Actual Expenditure	% Total
10	Social Welfare	1,632.958	516.255	488.183	Ongoing 8 New 27	Ongoing 5 New 63	Ongoing 5 New 63	0.651
11	Local Government	2,164.569	2,044.561	2,017.502	Ongoing 14 New 104	Ongoing 15 New 544	Ongoing 15 New 538	2.689
12	Urban Planning and Development	3,663.600	2,229.528	2,209.152	Ongoing 17 New 63	Ongoing 7 New 112	Ongoing 7 New 109	2.944
13	Power	2,610.035	2,084.283	2,081.969	Ongoing 17 New 69	Ongoing 2 New 63	Ongoing 2 New 63	2.775
14	Industries	862.350	717.250	716.622	Ongoing 06 New 12	Ongoing 3 New 16	Ongoing 3 New 16	0.955
15	Forestry	727.964	601.096	585.858	Ongoing 14 New 6	Ongoing 36 New 67	Ongoing 36 New 64	0.781
16	Livestock	722.012	486.398	463.850	Ongoing 07 New 15	Ongoing 12 New 18	Ongoing 11 New 18	0.618
17	Information Technology	1,867.887	437.697	425.628	Ongoing 12 New 5	Ongoing 10 New 4	Ongoing 9 New 1	0.567
18	Culture	442.987	317.987	265.613	Ongoing 03 New 14	Ongoing 03 New 19	Ongoing 03 New 18	0.354
19	Fisheries	739.206	651.939	651.751	Ongoing 12 New 4	Ongoing 6 New 2	Ongoing 6 New 2	0.869
20	Mines and Minerals	223.548	72.595	71.842	Ongoing 5 New 2	Ongoing 11 New 0	Ongoing 10 New 0	0.096

S. No.	Sector	Original PSDP 2019-20	Development Final Budget Grant 2019-20	Development Actual Expenditure 2019-20	Original PSDP 2019-20 (Ongoing/New) Schemes	Development (Ongoing/New) Schemes as per 2019-20 Final Budget Grant	Development (Ongoing/New) Schemes as per 2019-20 Actual Expenditure	% Total
21	Sports	2,195.181	1,178.472	1,163.295	Ongoing 17 New 40	Ongoing 7 New 106	Ongoing 6 New 105	1.550
22	Manpower	309.100	108.859	108.308	Ongoing 3 New 4	Ongoing 1 New 4	Ongoing 1 New 4	0.144
23	Population Welfare	200	65	64.989	Ongoing 1 New 1	Ongoing 1 New 0	Ongoing 1 New 0	0.087
24	Tourism	318.000	48.790	42.961	Ongoing 1 New 5	Ongoing 1 New 4	Ongoing 1 New 4	0.057
25	Food	170	45	24.929	New 2	New 2	New 1	0.033
26	Environment	100	0	0	New 1	0	0	0.00
27	Women Development	240	247.678	208.923	Ongoing 1 New 4	Ongoing 3 New 17	Ongoing 3 New 15	0.278
Total		108,133.643	89,432.611	75,028.760	Ongoing 853 New 1796	Ongoing 1,534 New 4,235	Ongoing 1,470 New 4,146	100
28	Federal funded projects	-	27,962.267	18,290.392	-	New 369	New 323	-

[Extract from the Original PSDP 2019-20 and data of released/actual expenditure sector wise extract from AG (SAP) data]

Chapter 1

Public financial management issues observed in certification audit of Accountant General, Balochistan, Quetta

1.1 Findings and Recommendations on Budgeting

1.1.1 Savings not surrendered - Rs. 34.509 billion

According to Para 95 of GFR, Vol-I, “All anticipated savings should be surrendered to Government immediately they are foreseen without waiting till the end of the year, unless they are required to meet excesses under some other unit or units which are definitely foreseen at the time and no savings should be held in reserve for possible future excess.”

During certification audit of GoB for the financial year 2019-20, it was observed that a huge sum of Rs. 34.509 billion could not be utilized by the concerned departments for the intended purposes and stood lapsed at the close of financial year as detailed in Annexure 1.1.

Management did not forecast its actual requirement before the close of financial year, which resulted in lapse of budget.

Management replied that the control of expenditure (Saving and excess) comes within the purview of authority administering a grant in terms of GFR, Para 88, Vol-I. Accordingly, this office has already taken up the matter with the concerned Principal Accounting Officers of GoB under intimation to Secretary, FD for reasons and to ensure timely surrender in future. However, no response was received from the concerned.

In the DAC meeting held on November 03, 2020, it was informed that the matter stood taken up with FD by AG, Balochistan. FD needs to take up the matter with PAOs to avoid such recurrences in future. Updated status of the matter will be intimated by AG, Balochistan in due course.

Audit recommends that the matter needs to be looked into seriously by AG, FD and all the PAO.

1.2 Findings and Recommendations on Accounting

1.2.1 Asset Accounting Issues

1.2.1.1 Non-maintenance of fixed asset statements

According to Section 2.2.70 of the FRM, based on information supplied by the departments on a specified form of Fixed Assets Registers as set out in Chapter 13 of APPM, shall be signed by the PAO of each Department before 7th of each month. After which, the AG will prepare the fixed asset statement.

During Certification Audit of GoB for the financial year 2019-20, it revealed that no record of fixed assets was maintained by AG, Balochistan as required under the relevant rules.

Non-compliance with rule resulted in non-reporting of actual position of the fixed assets.

AG Office has the accounting responsibility of the GoB.

Management replied that their office has already taken up the matter regarding fixed assets of GoB with all the PAOs as well as with TOs/DAO, Lasbela at Uthal. However, no meaningful reply has been received.

On receipt of requisite information from the departments as outlined in FRM, this office will be able to prepare Fixed Asset Statement as set out in Chapter 13 of the APPM.

In the DAC meeting held on November 03, 2020, AG informed that unless PAOs do not cooperate, AG cannot prepare the reports. Forum decided that as far as district Quetta is concerned, the Asset Module may be activated on trial basis from the financial year 2020-21. Compliance will be produced during next year audit.

Audit recommends that proper/complete accounting of fixed assets may be ensured through elaborated coordination with the GoB.

1.2.1.2 Non-reconciliation of cash balance resulted in non-settlement of variation between cash and book balance - Rs. 8,406 million

According to Para 6.3.4 of APPM, (1) a monthly reconciliation of bank accounts is a necessary part of financial management and is also an effective measure for detecting and deterring fraud and irregularities. (2) Every DAO shall prepare a monthly reconciliation statement for expenditures and receipts, as set out in direction 6.3.5.1 of APPM. (3) The respective AG shall prepare a consolidated monthly reconciliation statement for each government bank account, as set out in direction 6.3.5.2. According to Para 6.5.3.5 of APPM, on the basis of the Monthly Main Designated Branch Statement/General Ledger, the DAOs shall prepare and sign a “DAO Monthly Reconciliation Statement,” as outlined in section 6.3.5.1 of APPM, for receipts and expenditures and shall submit this statement to the AG by 7th of the following month along with the monthly accounts of the DAO.

According to Para 6.5.3.7 of the APPM, the AG shall consolidate, the information received from the DAOs and prepares an ‘AG Consolidated Monthly Report’ (Form 6E) of total balances of expenditures and receipts. Further, according to Para 6.5.3.8 of APPM, the delegated Officer shall prepare an AG Monthly Reconciliation Statement on the basis of the AG Consolidated Monthly Report, as outlined in Section 6.3.5.2, for each Government bank account. This will help in removing the differences between the book and bank.

During Certification Audit of GoB for the financial year 2019-20, it was observed that Cash Balance Section did not prepare AG’s Consolidated Monthly Report of expenditure and receipt for each bank account, which resulted in variation between the closing balance of the Accounts and balance appearing in the records of the SBP-HQ as on June 30, 2020. The same is detailed below:

(Rs. in million)

Description	Balance as per ‘Financial Statements’	Balance as per ‘SBP-HQ’	Variation
Account 1 and 2 (30.6.2020)	47,512	39,106	8,406

Page 2 IPSAS, Finance Account, Page 100

Non-maintenance of essential record and reconciliation of account's balances between AG Balochistan and SBP resulted in variation between Financial Statements and accounts maintained by the SBP.

Further, as per Finance Account Page 20, under head F01, Cash and bank balances show receipts of Rs. 357,428 million and payments of Rs. 345,985 million but Monthly Civil Account June Final Supplementary, 2020 shows receipts of 327,958 million and payments of Rs. 354,201 million, with closing balance of Rs. 19,944 million. The difference/variation may be explained.

It was informed by the management, that the Differences between the Cash Balances of SBP and the financial Statements may arise due to misclassifications and wrong posting by NBP in the Central and Provincial accounts. These differences arise and are settled after end of the financial year.

This office has taken up the matter with FD, DG (Treasuries and Accounts), Balochistan and all the TOs/DAO, Lasbela but no response has been received. Responsibility of AG regarding preparation of consolidated monthly report (Form 6E) is based on information received from TOs/DAO, the practice that is not being followed by the TOs/DAO. In the light of above explanation, it is requested that the observation may be settled as the action on the part of Secretary, FD, DG (Treasuries and Accounts) and TOs/DAO is still awaited.

In the DAC meeting held on November 03, 2020, the reply of the management was not accepted and the forum decided that the matter may be taken up with Chief Secretary, GoB.

Audit recommends that all the essential record should be maintained and reconciliation be carried out to remove the differences between the book and bank before preparation of annual accounts.

1.2.2 Expenditure Accounting Issues

1.2.2.1 Expenditure without budgetary allocation - Rs. 1,052 million

According to Para 88 of GFR, Vol-I, "The administrative authority is ultimately responsible for watching the progress of expenditure on public service under its control and for keeping the expenditure within the grant." According to Article 158 of Audit Code, "Audit is responsible for watching firstly that the

total expenditure under a grant or appropriation does not exceed the amount of that grant or appropriation as specified in authenticated schedule of authorized expenditure and secondly that the total expenditure on each of the sub heads fixed as units of appropriation under a grant or appropriation does not exceed the allotment thereof as modified by orders of re-appropriation passed by competent authority from time to time.”

During Certification Audit of GoB for the financial year 2019-20, it revealed that an expenditure of Rs. 1,052 million was incurred by different departments without any budgetary allocation under the relevant head of account, as detailed in Annexure 1.2.

The same irregularity was also observed in the previous year when an expenditure of Rs. 98.994 million was incurred without any budgetary allocation under the relevant head of accounts.

Weak financial control resulted in improper budgeting.

The management replied that the previously mentioned expenditure occurred due to non-availability of budget check in SAP system on the heads of pay and allowances. Moreover, AG is also pointing out the deficiencies through a regular correspondence to streamline the budgeting process, apply regular check on pay and allowances besides regularizing the excess expenditure as per the recommendations of certification audit team. However, no progress was received in this regard.

The matter regarding expenditure incurred without budgetary allocation was taken up with the FD, GoB for regularization of expenditure of current financial year but no response was received.

In the DAC meeting held on November 03, 2020, forum decided that the Finance Department may be approached for adjusting the excess expenditure through Excess Expenditure Statement from the Provincial Cabinet.

Audit recommends that reconciliation/reports may be submitted to audit and efforts be made to streamline the budgeting process besides, regularization of expenditure. Audit further recommends immediate applying of budget checks on pay and allowance.

1.2.2.2 Excess development expenditure than budgetary allocation - Rs. 174 million

According to Para 88 of GFR Vol-I, “The administrative authority is ultimately responsible for watching the progress of expenditure on public service under its control and for keeping the expenditure within the grant.” According to Article 158 of Audit Code, “Audit is responsible for watching firstly that the total expenditure under a grant or appropriation does not exceed the amount of that grant or appropriation as specified in authenticated schedule of authorized expenditure and secondly that the total expenditure on each of the sub heads fixed as units of appropriation under a grant or appropriation does not exceed the allotment thereof as modified by orders of re-appropriation passed by competent authority from time to time.”

During Certification Audit of GoB for the financial year 2019-20, it revealed that development expenditure of Rs. 174.045 million was incurred in excess of the revised budget estimates, as summarized below:

(Rs. in million)

Page No.	Name of the Grant/ Appropriation	Original Grant /Appropriation	Supplementary Grant/ Appropriation	Final Grant/ Appropriation	Actual Expenditure	Excess
1	2	3	4	5	6	7
1355	BC12209 Levies	278.086	-	135.207	135.646	0.439
1361	BC12219 Population Planning	200	-	65	65.636	0.636
1364	BC12222 Social welfare	1,462.958	-	416.256	488.183	71.927
1376	BC12246 Women development	240	-	197.679	208.924	11.245
1377	BC12249 Energy department	2,610.035	-	1,999.171	2,081.969	82.798
Total						174.045

Source: Appropriation Accounts of GoB for the financial year, 2019-20.

Weak financial control resulted in poor budget planning.

It was replied by the management that the matter regarding excess/saving of expenditure was taken up with the concerned PAOs of GoB and also endorsed to the Secretary, FD for necessary action at their end, but no response was received.

In the DAC meeting held on November 03, 2020, it was informed that the excess took place because of the releases, which were made by the FD after finalizing of budget. Therefore, there is excess in Budget Book and Appropriation Accounts. Forum decided that the expenditure needs to be regularized by FD through Provincial Cabinet.

Audit recommends that the excess expenditure needs to be regularized. Further, there needs to be an approved procedure of getting it approved every year.

1.3 Findings and Recommendations on Reporting

1.3.1 Non-preparation of Debt and Losses Reports

According to Para 2.2.9.1 and 2.2.9.2 of Financial Reporting Manual (FRM), "Debt Report is required to be prepared which will provide an analysis of the national debt position at the end of each month." Further, according to Para 2.2.10.1 of FRM, "A Losses Report is required to be prepared which will identify the relevant Division/Department to which the loss relates. These reports will be based on the information supplied by Divisions/Departments after the end of each month."

During Certification Audit of GoB for the financial year 2019-20, it revealed that the said reports were not being prepared by AG, Balochistan. These reports were supposed to contain the following information:

- Opening balances at the start of the reporting period for domestic debt (Including floating debt) and foreign debt (At the Rupee and foreign currency values)
- Additions during the reporting period
- Retirements during the reporting period
- Realized foreign exchange gains/losses on retirements
- Unrealized foreign exchange gains/losses on translation/retranslation
- Other adjustments (To be specified)

- Closing balances in each category
- Brief description, repayment terms, interest rates and purpose of loan for material items within each category.

Non-compliance of financial rules may cause misreporting of assets and liabilities of the government.

It was replied by the management that the matter regarding losses report has been taken up with all the PAOs of GoB but no response was received. It is pertinent to mention here that the reporting of losses will only be possible when proper Asset Management is carried out by the departments. No such system is in place yet. The office has taken up the matter with all the departments for proper asset management and submission of relevant report/statement, but no proper replies have been received.

The report regarding Debt has been disclosed in the Finance Account at Page 81.

In the DAC meeting held on November 03, 2020, AG informed that unless PAOs do not cooperate, AG cannot prepare the reports. Forum decided that as far as district Quetta is concerned, the Asset Module may be activated on trial basis from the financial year 2020-21. Compliance will be produced during next year audit.

Audit recommends that the mechanism be devise to ensure that SAP is configured to include debt and losses report.

1.3.2 Difference between receipt and payment of cheques - Rs. 525.884 million

According to Para 6.4.3.2 and 6.4.3.3 of APPM, “On receiving the daily bank returns from the Main Designated Branch, the delegated officer in the Account Section of the DAO/AG/AGPR shall check that (i) supporting documents detail (i.e. paid cheques, receipt vouchers, transfer advice) agree with the bank scroll, (ii) bank scroll entry agrees with a payment advice note entry previously sent to the Main Designated Branch of the bank. Where there are any discrepancies in the bank scroll, the officer shall immediately inform the Main Designated Branch and resolve any differences in writing.”

During Certification Audit of GoB for the financial year 2019-20, it was observed that payments made by various TOs/DAO during the financial year

did not tally with the payment made by the NBP, as bank made payment over the authorization of AG/TOs/DAO amounting to Rs. 525.884 million, as detailed below:

(Rs. in million)

Detailed object description	Progressive receipt for the year June Supplementary, 2020	Progressive payment for the year June Supplementary, 2020	Difference
G01191 Assignment Accounts Cheques	24,252.343	24,778.227	525.884

Source: Finance Accounts of GoB for the financial year 2019-20, Page 89.

Lack of reconciliation of expenditure between the NBP and AG/TOs/DAO resulted in unauthorized payment.

The management informed that the variation amounting to Rs. 525.884 million between the receipt and payment of cheques is due to the reason that cheques issued by this office upto June, 2020 could not be honored by the Bank during the period of its validity. Later on, the FD, GoB extended the validity period of uncashed cheques in terms of Para 162 and 170 (A) Sub-Rule (10) of Treasury Rules. The amount of cheques was booked/debited against the provincial government by this office during the financial year 2019-20 while the bank has taken them in its account of 2020-21. The same caused the variation between the receipt and payments of cheques. However, the matter has already been taken up with the Manager, NBP, City Branch/State Bank of Pakistan vide this office letter No. TM/ Assignment Account/ 3497-3498 dated 15.04.2020 followed by reminder No. even/3738-3779 dated 20.07.2020 to submit the reconciled statements but necessary response is yet to be received.

In the DAC meeting held on November 03, 2020, the matter was discussed at length and audit recommended that AG should take up the matter with FD with the suggestion that in future, no extension in validation of cheques may be granted so that the issue of difference can be mitigated.

Audit recommends that FD/TO/DAO may ensure rectification/reconciliation of such differences with the SBP-HQ as well as NBP.

Chapter 2

2.1 Agriculture and Cooperatives Department

2.1.1 Introduction

The basic function of Agriculture and Cooperatives Department is to introduce new varieties of seeds of agricultural products to achieve maximum yield and improvement of farms through development of infrastructure i.e. watercourses, trickle irrigation system and storage water tanks etc. Moreover, to assist farmers by providing advisory services in plant protection and agriculture farming through their field staff is a core duty of the department.

2.1.2 Comments on Budget and Accounts (Variance Analysis)

Development and Non-Development funds amounting to Rs. 12,041.290 million were allocated to the department during 2019-20. Against the said allocation, an expenditure of Rs. 11,249.617 million was incurred, as summarized below:

(Rs. in million)

2019-20					
Grant No.	Type of grant	Final grant	Actual expenditure	Excess/ (Saving)	Percentage
21018	Agriculture Non-Development	9,002.064	8,466.620	(-) 535.443	5.95
21031	Cooperatives Non-Development	148,580	125.727	(-) 22.583	15.38
	Total Non-Development	9,150.644	8,592.347	(-) 558.296	6.10
042103	Development	2,890.646	2,657.617	(-) 233.376	8.07
Grand total (Non-Development + Development)		12,041.290	11,249.617	(-) 791.673	6.57

The department did not surrender the saving of Rs. 791.673 million against non-development and development, which indicated improper budgeting and financial mismanagement.

2.1.3 Audit profile of Agriculture and Cooperatives Department

(Rs. in million)

S. No.	Description	Total numbers	Audited	Expenditure audited financial year 2019-20	Revenue/ Receipts audited financial year 2019-20
1	Formations	380	37	4,342.920	5.139
2	Assignment accounts				-
3	Special Drawing Accounts	-	-	-	-
4	Authorities/ Autonomous Bodies etc. under the PAO	-	-	-	-
5	Foreign Aided Project (FAP)	-	-	-	-

2.1.4 Classified summary of Audit Observations

Audit observation amounting to Rs. 105.873 million were raised in this report during the current audit of Agriculture and Cooperatives Department. This amount also includes recoveries of Rs. 95.361 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rs. in million)

S. No.	Classification	Amount
1	Irregularities	8.222
2	Unauthorized expenditure	2.290
3	Tax and duties	95.361

2.1.5 Brief comments on the status of compliance with PAC directives

S. No.	Audit Report Year	Total Paras	Compliance received	Compliance not received	Percentage of compliance
1	1984-1985	2	-	2	0
2	1987-1988	22	-	22	0

S. No.	Audit Report Year	Total Paras	Compliance received	Compliance not received	Percentage of compliance
3	1988-1989	7	-	7	0
4	1989-1990	3	-	3	0
5	1991-1992	39	-	39	0
6	1992-1993	26	-	26	0
7	1993-1994	37	-	37	0
8	1994-1995	8	-	8	0
9	1995-1996	24	-	24	0
10	1996-1997	51	2	49	3.92
11	1997-1998	12	-	12	0
12	1999-2000	10	2	8	20
13	2001-2002	6	-	6	0
14	2002-2003	25	-	25	0
15	2004-2005	7	-	7	0
16	2005-2006	10	10	0	100
17	2008-2009	10	-	10	0
18	2009-2010	3	-	3	0
19	2010-2011	8	-	8	0
20	2011-2012	4	-	4	0
21	2012-2013	11	-	11	0
22	2013-2014	11	-	11	0
23	2014-2015	16	-	16	0
24	2015-2016	8	-	8	0
25	2016-2017	9	-	9	0
26	2017-2018	8	8	0	100
27	2018-2019	13	0	13	0
28	2019-2020	8	0	8	0
Total		398	22	376	5.641

Most of the Audit Reports have not yet been discussed by the PAC.

2.2 AUDIT PARAS

2.2.1 Irregular procurement of inferior diesel from open market - Rs. 8.222 million

As per instructions issued by the DG, Agriculture Engineering Department, “All the Agriculture Officers are required to purchase diesel and lubricants from Pakistan State Oil (PSO) only.”

The following offices of Agriculture Engineering Department incurred an expenditure of Rs. 8.222 million on procurement of POL during the financial year 2018-19. Diesel was procured from open market and unregistered petrol pumps in violation of above narrated direction. Due to the same, the risk of procurement of inferior quality diesel at a lower price could not be over ruled. Details are given below:

(Rs. in million)

S. No.	AIR Para No.	Name of division	Financial year	Amount
1	2	Agriculture Engineer, Kharan	2018-19	3.272
2	1	Agriculture Engineer, Washuk	2018-19	4.950
Total				8.222

Procurement of inferior quality diesel from open market may result in losses to heavy machinery.

The matter was reported to the department in April, 2020 but no reply was received.

The DAC meeting was held on December 31, 2019, but the management neither furnished departmental replies nor attended the meeting. DAC directed to submit the record to audit for verification.

No progress was intimated till the finalization of this report.

Audit recommends that responsibility be fixed against the persons at fault. Besides, the practice in question needs not to be repeated.

2.2.2 Unauthorized withdrawal of hill, conveyance and house rent allowances - Rs. 2.290 million

According to Finance Department Notification No. FD(R)II-6/91/4513-4600 dated October 16, 1991 and Notification No. FD (R)II-6/91/491-617 dated January 12, 1995, "Hill Allowance is allowed to those government servants who draw pay in BPS 01 to 15 and are posted/appointed permanently at the place/station at the height of 5,500 Ft. and above the sea level." According to S&GAD, GoB Notification No. SGA (TPT)1-3/94/570-740 dated July 24, 2000, under S. No. 4 (6), "The Officers who are availing the facilities of Government vehicles/vehicles allotted with posts are not entitled to draw Conveyance Allowance through their monthly salary." According to Memorandum Number CS-III/71/4752-82/GB dated 19.04.1983 of GoB, "Where Government residence is provided to an employee, he will not be entitled to receive house rent allowance @ 45% or @ 30% as the case may be."

The following offices of Agriculture and Cooperatives Department paid hill, house rent and conveyance allowances to those officers/officials during the financial years 2016-17, 2017-18 and 2018-19, who were not authorized to receive such allowances. It resulted in unauthorized payment of allowances of Rs. 2.290 million, as detailed below:

(Rs. in million)

S. No.	AIR Para No.	Name of office	Financial year	Amount	Remarks
1	2	Deputy Director, Agriculture Extension, Khuzdar	2016-18	1.110	Hill Allowance
2	1	Deputy Director, Agriculture Extension, Khuzdar	2016-18	0.128	Conveyance Allowance
3	5	Director, Agriculture Research, Turbat	2014-18	1.052	House Rent Allowance
Total				2.290	

Payment of inadmissible allowances resulted in loss to the Government.

The matter was reported to the department in June and November, 2019 but no reply was received.

The DAC meeting was held on December 31, 2019, but the management neither furnished departmental replies nor attended the meeting.

No further progress was intimated till the finalization of this report.

Audit recommends that the payment of inadmissible allowances may be stopped and necessary recovery be affected.

2.2.3 Non-deduction of BSTS - Rs. 95.361 million

According to Section 3 of BSTS Act, 2015, “The GoB levied Sales Tax @ 15% on provision of services rendered by engineering consultants, Contractors of buildings (Including water supply, gas supply and sanitary works), roads and bridges, electrical and mechanical works including air conditioning (Including turn-key projects) and similar other works.”

In the various offices of Agriculture and Cooperatives Department, Balochistan, payments were made to the contractors for various works during the financial years 2016-19. The DDOs were required to deduct governmental taxes i.e. BSTS @ 15% on the services/contracts on each payment. However, the same was not done. This resulted in non-realization of governmental taxes amounting to Rs. 95.361 million, as detailed below:

(Rs. in million)

S. No.	AIR Para No.	Name of division	Financial year	BST @ 15%
1	2	Deputy Director, OFWM, Loralai	2017-18	15.091
2	2	Deputy Director, OFWM, Mastung	2016-19	87.374
Total				102.465

Non-realization of governmental taxes on provision/execution of contracts caused a revenue loss to the Government.

The matter was reported to the department in March, 2020 but no reply was received.

The DAC meeting was held on December 31, 2019. DAC directed to calculate the BSTS on services' portion and recover the amount from the concerned.

No progress was intimated till the finalization of this report.

Audit recommends that recovery of the governmental taxes be affected from the concerned contractors.

Chapter 3

3 Autonomous Bodies

3.1 Balochistan Development Authority (BDA)

3.1.1 Introduction

The BDA was established in 1974 under Balochistan Act X of 1974, with a view to promote economic and industrial development in Balochistan. Prime functions of the Authority is to execute the development projects and schemes pertaining to land and water development, power, agriculture, industries and economic uplift of relatively under developed areas as notified by the Government.

3.1.2 Comments on Budget and Accounts (Variance Analysis)

Development and Non-Development funds amounting to Rs. 2,789.299 million were allocated to the Authority during 2019-20. Against the said allocation, an expenditure of Rs. 2,788.889 million was incurred, as summarized below:

(Rs. in million)

Type of grant	2019-20			
	Final grant	Actual expenditure	Excess/ (Saving)	Percentage
Development	2,789.299	2,788.889	(-) 410	0.01%

3.1.3 Audit profile of BDA

(Rs. in million)

S. No.	Description	Total number	Audited	Expenditure audited financial year 2019-20	Revenue/ Receipts audited financial year 2019-20
1	Formations	-	-	-	-
2	Assignment Accounts	-	-	-	-
3	Special Drawing Accounts	-	-	-	-

S. No.	Description	Total number	Audited	Expenditure audited financial year 2019-20	Revenue/ Receipts audited financial year 2019-20
4	Authorities/ Autonomous Bodies etc. under the PAO	1	1	5,466.106	-
5	Foreign Aided Project (FAP)	-	-	-	-

3.1.4 Classified summary of Audit Observations

Audit observations amounting to Rs. 587.253 million were raised in this report during the current audit of BDA. This amount also includes recoveries of Rs. 23.861 million as pointed out by audit. Summary of the audit observations classified by nature is as under:

(Rs. in million)

S. No.	Classification	Amount
1	Irregularities	563.392
2	Overpayment	11.387
3	Recoverable	8.732
4	Others	3.742

3.1.5 Brief comments on the status of compliance with PAC directives

S. No.	Audit Report Year	Total Paras	Compliance received	Compliance not received	Percentage of compliance
1	2000-2001	91	-	91	-
2	2005-2006	5	-	5	-
3	2007-2008	30	-	30	-
4	2009-2010	5	-	5	-
5	2010-2011	30	-	30	-
6	2011-2012	30	-	30	-
7	2012-2013	13	-	13	-
8	2013-2014	9	-	9	-

S. No.	Audit Report Year	Total Paras	Compliance received	Compliance not received	Percentage of compliance
9	2014-2015	8	-	8	-
10	2016-2017	12	-	12	-
11	2018-2019	6	-	6	-
12	2019-2020	7	-	7	-
Total		246	-	246	0

Most of the Audit Reports have not yet been discussed by the PAC.

3.2 AUDIT PARAS

3.2.1 Inadmissible payment for earth work compaction - Rs. 6.047 million

According to CPWA Code, Para 16 and 221, “The Divisional and Sub Divisional Officers are responsible for ensuring correctness of rates, quantities and calculations before signing the bill of the contractor.”

The Chairman BDA, Quetta paid an amount of Rs. 6.074 million for an item of work “Extra if excavated earth is required to be filled in road embankment by placing it in layers not exceeding 230 mm (9”) in depth including dressing top and sides of the bank” under SI No. 21-1f +21-9. While checking the MB, it revealed that the contractor was already paid the rate of compaction of entire embankment for a quantity of 342,736.394 Cum constructed under SI No. 21-9 (Page 68). The contractor was to be paid only the rate of excavated earth, but compaction rate was also paid, which was not required. Thus, the contractor was overpaid Rs. 6.074 million, as detailed below:

(Rs. in million)

Name of work/contractor	Item of work	Rate paid Per Cum	Rate payable Per Cum	Difference	Quantity paid Cum	Amount
Construction of Black Top Link Road	Extra if excavated earth is	109.650	17.900	91.750	53,695.719	4.927

Name of work/contractor	Item of work	Rate paid Per Cum	Rate payable Per Cum	Difference	Quantity paid Cum	Amount
from Killi Barashan to Killi Andar Pore, Musakhel, M/s Zareef Khan	required to be filled in road embankment					
Add premium @ 2.75%						0.135
Total						5.062
Add escalation @ 20%						1.012
Grand total						6.074

Payments by allowing inadmissible rate gave undue financial benefit to the contractor.

The matter was reported to the Authority during August, 2020 but no reply was received.

In the DAC meeting held on November 19, 2020, the forum directed to get the original record verified by Audit. On verification of record on January 11, 2021. It was decided that the amount needs to be recovered from the contractor as the contractor was already paid the rate of compaction of entire embankment.

No progress was intimated till finalization of this report.

Audit recommends that recovery be affected from the contractor.

3.2.2 Overpayment due to allowing incorrect rate - Rs. 2.930 million

According to Para 16 and 220 of CPWA Code, "The Divisional and Sub Divisional Officers have to satisfy themselves before signing the bill that the

quantities recorded in the MB, rates are correct, and calculations have been checked arithmetically.”

The Chairman BDA, Quetta paid an amount of Rs. 2.930 million for items of work “Excavation or cutting to a required grade, camber and side slopes including dressing top in gravelly soil” @ Rs. 53.650/Cum and “Excavation or cutting to a required grade, camber and side slopes including dressing top in wet silt, clay or mud” @ Rs. 71.500/Cum under SI No. 21-1/c and 21-1/b respectively. Scrutiny of MB revealed that the earthwork embankment was executed simultaneously with road work in all kinds of soil except gravelly, murum, wet silt, clay or mud and rock soil under SI No. 21-6/a+21-9 @ Rs. 152.500/Cum. This contradiction was unjustified as excavation should have been paid in ordinary soil under SI No. 21-1/a @ Rs. 44.700/Cum. The deviation resulted in an overpayment of Rs. 2.930 million, as detailed below:

(Rs. in million)

Name of work / contractor	Item of work	Quantity paid (Cum)	Rate paid	Rate payable	Rate difference	Amount
Construction of link roads in District Musakhel, M/s Zarif Khan	Excavation in gravelly soil	110,932.196	53.650	44.700	8.950	0.993
	Excavation in wet silt, clay or mud	54,020.712	71.500	44.700	26.800	1.448
Total						2.441
Add escalation paid @ 20%						0.488
Grand total						2.930

Payment of higher rates provided extra financial benefit to the contractor and loss to the government.

The matter was reported to the Authority during August, 2020 but no reply was received.

In the DAC meeting held on November 19, 2020, the management replied that the said road exists in waterlogged area and due to this reason, the natural pitrun gravel was used to provide better strength to the shoulder portion of the road. The forum directed to get the original record verified by Audit. On verification of record on January 11, 2021, it was decided that the amount needs to be recovered from the contractor as excavation should have been paid in ordinary soil.

No progress was intimated till finalization of this report.

Audit recommends that lab test report be provided in case of failure recovery be made from the concerned contractor.

3.2.3 Overpayment due to allowing excess premium - Rs. 1.310 million

According to CPWA Code, Para 16 and 221, “The Divisional and Sub Divisional Officers are responsible for ensuring correctness of rates, quantities and calculations before signing the bill of the contractor.”

The Chairman BDA, Quetta paid an amount of Rs. 1.830 million for following base sub-base items of work by allowing premium @ 28% instead of payable amount of Rs. 0.520 million by allowing premium @ 7.96%, which resulted in an overpayment of Rs. 1.310 million, as detailed below:

(Rs. in million)

Name of work / contractor	Item of work	Quantity paid (Cum)	Rate (Rs.)	Premium paid @ 28%	Premium payable @ 7.96%	Overpaid amount
Construction of BT road Yaroo Shahr to Killi Gandari Road,	Supply/stacking pitrun gravel	11,216	210.100	0.660	0.188	0.472
	Laying pitrun gravel	7,314.75	212.300	0.435	0.124	0.311
	Supply/stacking hand broken stone	7,015	321.350	0.631	0.179	0.452

Name of work / contractor	Item of work	Quantity paid (Cum)	Rate (Rs.)	Premium paid @ 28%	Premium payable @ 7.96%	Overpaid amount
Loralai, M/s Shams	Laying hand broken stone	2,287.5	162.500	0.104	0.030	0.074
Total				1.830	0.520	1.310

Allowing higher rate than admissible resulted in an overpayment.

The matter was reported to the Authority during August, 2020 but no reply was received.

In the DAC meeting held on November 19, 2020, the forum directed to get the original record verified by Audit. On verification of record on January 11, 2021, it was decided that the amount needs to be recovered from the contractor as higher rate of premium was allowed.

No progress was intimated till finalization of this report.

Audit recommends recovery of the overpaid amount from the contractor.

3.2.4 Overpayment by allowing excess quantities of laying material on road structure - Rs. 1.100 million

As per Detailed Analysis of Balochistan, CSR, 1998, SI No. 21-23 (b) and 21-25, “The compacted thickness of stone ballast and laying of pitrun gravel in base/sub-base course shall be equal 67% (2/3) of the stacked quantity and admissible quantity of Murum will not exceed 25% of compacted thickness of stone ballast.”

Audit observed that during the financial year 2018-19, Chairman, BDA made payment to a contractor of various works for an item of work “Supply and stacking of natural pitrun gravel of approved quality.” In the subsequent events, it was laid in the base course. The compacted quantity of pitrun gravel was to be taken @ 67% of stacked quantity; on the contrary, excess quantities of pitrun gravel were allowed. Further, the murum was to be spread over @ 25% of the

compacted thickness of stone ballast, therefore, the quantity of murum was to be adjusted accordingly, which was not done. Thus, an overpayment of Rs. 1.100 million was made, as detailed in Annexure 3.2.1.

The situation implied extension of undue financial benefit to the contractor.

The matter was reported to the Authority during August, 2020 but no reply was received.

In the DAC meeting held on November 19, 2020, the forum directed to get the original record verified by Audit. On verification of record, it was observed that the amount needs to be recovered from the contractor as the contractor was already paid the rate of compaction of entire embankment.

No progress was intimated till finalization of this report.

Audit recommends that recovery from contractor be made under intimation to audit.

3.2.5 Non/less deduction of governmental taxes - Rs. 8.723 million

According to Section 3 of BSTS Act, 2015, “The GoB levied Sales Tax @ 15% on provision of services rendered by engineering consultants, Contractors of buildings (Including water supply, gas supply and sanitary works, roads and bridges, electrical and mechanical works including air conditioning), (Including turn-key projects) and similar other works.” Further, according to Section 153 of Income Tax Ordinance, 2001, “Every DDO is responsible to make the deduction of income tax at @ 7.5% while making payment to the contractors for execution of contract.”

In BDA, governmental taxes amounting to Rs. 8.723 million were either not deducted or less deducted during the financial year 2018-19. These instances included non-deduction of BSTS and non/less deduction of income tax, as detailed in Annexure 3.2.2.

Non-realization of governmental taxes caused a revenue loss to the Government.

The matter was reported to the Authority during August, 2020 but no reply was received.

In the DAC meeting held on November 19, 2020, regarding BSTS, management replied that the same was not included in PC I/estimates. DAC directed the management to affect recovery accordingly and provide the relevant documents for verification. On verification of record, it was observed that the amount needs to be recovered from the contractor as no deduction of taxes were made from the payments.

No progress was intimated till finalization of this report.

Audit recommends that the necessary recoveries of government taxes be affected.

3.2.6 Non-deduction of stacking charges - Rs. 3.742 million

According to SI No. 21-2, 21-3 and 21-4 of Detailed Analysis of CSR, 1998, “The rates for excavation or cutting in soft rock, medium rock and hard rock are inclusive of labor charges for stacking at site. The unit rate paid includes Rs. 26.710 Per Cum for sorting and stacking the excavated material at the site of work.”

The Chairman, BDA made payments to the contractors of various works for an item of work “Excavation or cutting in soft rock and hard rock by blasting including sorting and stacking the excavated material within a lift of 1.5 meter and lead up to 30 meter” under SI No. 21-2, 21-3 and 21-4 at the rate of Rs. 181 Per Cum, Rs. 145.350 Per Cum and Rs. 259.450 Per Cum respectively. Rates paid were inclusive of sorting and stacking the excavated material at the site of work but stacking charges at the rate of Rs. 26.710 Per Cum were not deducted from the unit rates. This resulted in an overpayment of Rs. 3.742 million, as detailed in Annexure 3.2.3.

Non-deduction of stacking charges from unit rate of items resulted in overpayment to the contractor and loss to the government.

The matter was reported to the Authority during August, 2020 but no reply was received.

In the DAC meeting held on November 19, 2020, the management replied that the excavated material on site is measured through survey instrument and making stacks are not needed. The forum directed the department to get the original record verified by audit. On verification of record, it was observed that the amount needs to be recovered from the contractor as stacking charges were not deducted from the unit rates.

No progress was intimated till finalization of this report.

Audit recommends that recovery of overpaid amount may be affected from the concerned contractor.

3.2.7 Irregular expenditure on execution of development works without technical sanctions - Rs. 563.392 million

As per B&R Code 2.82, “No work shall be commenced unless administrative approval by competent authority is given, and properly detailed design and estimate have been sanctioned.”

The Chairman BDA, Quetta executed various schemes worth Rs. 563.392 million without obtaining prior technical sanctions of the estimates from the competent authority during the financial year 2018-19, as detailed below:

(Rs. in million)

S. No.	Name of work	Name of contractor	Estimated cost
1	Construction of BT Road from main Musakhel to Gharwaandi (Length 28 Km)	M/s Zareef Khan	163.156
2	Construction of BT link Road from N-70 to Killi Lakee, Musakhel (Length 12 Km)	Hassanzai and Brothers	63.992
3	Construction of BT link Road from N-70 to Killi Malik Noor Mohammad, Musakhel (Length 05 Km)		28.164

S. No.	Name of work	Name of contractor	Estimated cost
4	Construction of BT link Road from N-70 to Killi Rarasham, Musakhel (Length 07 Km)		30.827
5	Construction of BT link Road from Killi Barasham to Killi Andar Pore, Musakhel (Length 19 Km)		186.815
6	Construction of BT link Road from Kot Khan Mohammad to Hazzar Gut, Musakhel (Length 19 Km)		90.438
Total			563.392

Execution of works without technical sanctions was a serious violation of Rules and Procedures.

The matter was reported to the Authority during August, 2020 but no reply was received.

In the DAC meeting held on November 19, 2020, the management replied that the provision is available in the PC I approved by the Government of Balochistan and duly endorsed by the Finance Department. DAC did not accept the department reply and directed the department to produce Technical Sanction Estimates to audit for verification. On verification of record, it was observed that the technical sanctions were not provided and the schemes were executed without it.

No progress was intimated till finalization of this report.

Audit recommends that responsibility be fixed against the persons at fault. Besides, the department needs to execute all the development works after obtaining technical sanctions from the competent authority.

3.3 Gwadar Development Authority (GDA)

3.3.1 Introduction

GDA was established in October, 2003 to improve/implement the Master Plan, which initially suggested only the land use. After the establishment of the Authority, internal road network, land zoning and vision for future Gwadar was developed/finalized.

3.3.2 Comments on Budget and Accounts (Variance Analysis)

Development and Non-Development funds amounting to Rs. 2,778.394 million were allocated to the Authority during the financial year 2019-20. Against the said allocation, an expenditure of Rs. 2,345.441 million was incurred, as summarized below:

(Rs. in million)

Type of grant	Final grant	Actual expenditure	Excess/ (Saving)	%
Non-Development	996.814	678.951	(317.863)	32
Development	1,781.580	1,666.490	(115.090)	6.46
	2,778.394	2,345.441	432.953	15.58

3.3.3 Audit Profile of GDA

(Rs. in million)

S. No.	Description	Total number	Audited	Expenditure audited financial year 2019-20	Revenue/ receipts audited financial year 2019-20
1	Formations	-	-	-	-
2	Assignment Accounts	-	-	-	-
3	Special Drawing Accounts	-	-	-	-
4	Authorities/ Autonomous Bodies etc., under the PAO	1	1	2,345.441	-
5	Foreign Aided Project (FAP)	-	-	-	-

3.3.4 Classified Summary of Audit Observations

Audit observations amounting to Rs. 190.873 million were raised in this report during the audit of GDA. This amount also includes recoveries of Rs. 190.873 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rs. in million)		
S. No.	Classification	Amount
1	Recoveries	165.483
2	Overpayment	4.619
3	Government Taxes	20.771

3.3.5 Brief comments on the status of compliance with PAC directives

S. No.	Audit Report Year	Total Paras	Compliance received	Compliance not received	Percentage of compliance
1	1999-2000	76	24	52	32%
2	2007-2008	2	-	2	-
3	2009-2010	5	-	5	-
4	2011-2012	1	-	1	-
5	2012-2013	4	-	4	-
6	2013-2014	7	-	7	-
7	2014-2015	5	-	5	-
8	2018-2019	3	-	3	-
9	2019-2020	3	-	3	-
Total		106	24	82	-

Most of the Audit Reports have not yet been discussed by the PAC.

3.4 AUDIT PARAS

3.4.1 Non-realization of building control fees - Rs. 165.483 million

According to the Building Control Regulations, 2004 framed by GDA, “The Building Control Section has to charge the following fee on scrutiny, processing and advertisement of a scheme.”

S. No.	Nature of fee	Fee @ (Rs.)
1	Scrutiny Fee	Rs. 5,000 Per Scheme
2	Processing Fee	Rs. 3 Per Sft
3	Processing Fee	Rs. 4 Per Sft
4	MOU with GDA	Lump Sum
5	Advertisement Fee	Rs. 100,000 Per Scheme

In the office of the DG, GDA, scrutiny of receipt record for the financial year 2019-20 revealed that the prescribed fee was not realized from the concerned investors resulting in less realization of revenue of Rs. 165.483 million, as detailed below:

(Rs. in million)

S. No.	Scheme type	Dues	Received	Outstanding	Percentage
1	Commercial	6.143	4.713	1.430	23%
2	Industrial	163.822	71.561	92.261	56%
3	Residential	247.040	179.222	67.817	37%
4	Recreational and amenities	7.963	3.989	3.974	49%
Total		424.967	259.485	165.483	

Less realization of fee implied weak financial controls, which resulted in a financial loss to the Authority.

The matter was reported to the Authority in November, 2020, but no reply was received.

In the DAC meeting held on January 07, 2021 the forum directed the Authority to make efforts for collection/realization of all outstanding dues.

No further progress was intimated till finalization of this report.

Audit recommends that the outstanding fee be recovered from the concerned.

3.4.2 Non-realization of BSTS - Rs. 20.771 million

According to the Sections 25, 14(2) of the BSTS Act, 2015 “DDO (PAO) is required to be registered with BRA as Withholding Agent and withhold the BSTS as per the 2nd Schedule to the Act.” According to Section 25 (1) Chapter IV, “Registration” of BSTS Act, 2015, “A Person shall register under this Act.” Further, as per the Home and Tribal Affairs Department, GoB Notification No. SO (Judl-I) 8(1)2013/155-80 date 31.03.2016, “BSTS Act shall apply to the Provincially Administrated Tribal Areas of the Province.” Further, according to the Tariff Classification 9809.0000 of Part “A” Tax Service of Second Schedule, Section 3 of BSTS Act, 2015, “BSTS @ 6% is chargeable on the payments made for Services provided or Rendered by persons engaged in Contractual Execution of Work or Furnishing Supplies.”

In GDA, Gwadar, payments amounting to Rs. 346.179 million were made to the contractors/firms for execution of contractual works during the financial year 2019-20. The management was required to deduct BSTS @ 6% on the services/contracts on each payment but no BSTS was levied. Therefore, the Government was put to a revenue loss of Rs. 20.771 million, as detailed in Annexure 3.4.1.

Non-realization of BSTS on provision of services caused a revenue loss to the Government.

The matter was reported to the Authority in November, 2020 but no reply was received.

In the DAC meeting held on January 07, 2021 the DAC directed to recover the amount and get it verified from audit office.

No further progress was intimated to audit till finalization of this report.

Audit recommends that the recovery be affected from the contractors.

3.4.3 Overpayment due to allowing inadmissible premium - Rs. 4.619 million

As per Para 296 of CPWA Code, “To facilitate preparation of estimates and also to serve as a guide in settling rates in connection with contract agreement, a schedule of rates for each kind of work should be maintained. It should be prepared on the basis of the rates prevailing in each locality. The rates entered in estimate should generally agree with the scheduled rates but where, from any cause, the latter are not considered sufficient, the deviation should be explained in detail in the report to estimate.”

The GDA, Gwadar awarded the work “Construction/Black Topping of Road along with storm water drain, Gwadar” to M/s Mohammad Umar Baloch, Government Contractor on April 3, 2017. Final payment was made in August 2019. The management allowed premium of Rs. 4.619 million on NSR items, which was not admissible. Thus, the contractor was overpaid Rs. 4.165 million, as detailed below:

Name of work	Amount of the bill	(Rs. in million)
		Premium @ 5%
Construction/Black Topping of Road along with storm water drain, Gwadar	108.331	4.619

Payment of premium on NSRs caused loss to the Government.

The matter was reported to the Authority in November, 2020, but no reply was received.

In the DAC meeting held on January 07, 2021, the matter was discussed in detail. The payment of premium was considered as inadmissible. Therefore, the forum directed the management to recover the amount from the contractor.

No further progress was intimated till finalization of this report.

Audit recommends recovery of the overpaid amount.

3.5 Lasbela Industrial Estate Development Authority (LIEDA)

3.5.1 Introduction

The LIEDA was established under an Ordinance in 1984. Primary objective of its establishment was to provide infrastructure facilities such as road, water, sewerage, power gas and telecommunication to the industrialists in its five industrial estates and one special industrial zone situated in Lasbela district.

The Authority generates its own funds. Main sources of the income are sale of plots, annual ground rent and saving from electricity and power charges, charged from the industrialists. Electricity and water are procured in bulk from Karachi Electric Supply Corporation (KESC) and Irrigation Department respectively.

3.5.2 Comments on Budget and Accounts (Variance Analysis)

Development and Non-Development funds amounting to Rs. 3,031.742 million were allocated to the Authority during the financial year 2018-19. Against the said allocation, an expenditure of Rs. 2,433.307 million was incurred, as summarized below:

(Rs. in million)

Type of grant	2018-19			
	Final grant	Actual expenditure	Excess/ (Saving)	%
Non-Development	3,031.742	2,433.307	(598.435)	20%

3.5.3 Audit Profile of LIEDA

(Rs. in million)

S. No.	Description	Total number	Audited	Expenditure audited financial year 2018-19	Revenue/ Receipts audited financial year 2018-19
1	Formations	-	-	-	-
2	Assignment Accounts	-	-	-	-
3	Special Drawing Accounts	-	-	-	-

S. No.	Description	Total number	Audited	Expenditure audited financial year 2018-19	Revenue/ Receipts audited financial year 2018-19
4	Authorities/ Autonomous Bodies etc. under the PAO	1	1	2,433.307	2,757.025
5	Foreign Aided Project (FAP)	-	-	-	-

3.5.4 Classified Summary of Audit Observations

Audit observations amounting to Rs. 192.676 million were raised in this report during the current audit of LIEDA. The overall amount also includes recoveries as pointed out by audit. Summary of the audit observations classified by nature is as under:

(Rs. in million)		
S. No.	Classification	Amount
1	Overpayment	48.910
2	Loss	135.708
3	Recoverable	8.058

3.5.5 Brief comments on the status of compliance with PAC directives

S. No.	Audit Report Year	Total Paras	Compliance received	Compliance not received	Percentage of compliance
1	1999-2000	76	24	52	32%
2	2007-2008	2	-	2	0
3	2009-2010	5	-	5	0
4	2010-2011	5	-	5	0
5	2012-2013	4	-	4	0
6	2013-2014	3	-	3	0
7	2014-2015	6	-	6	0
8	2019-2020	2	-	2	0
Total		103	24	79	23.30%

Note: Most of the audit reports have not been discussed by the PAC.

3.6 AUDIT PARAS

3.6.1 Loss due to less billing to electric consumers - Rs. 135.708 million

According to Para 23 of GFR Vol-I, “Every Government officer should realize fully and clearly that he would be held personally responsible for any loss sustained by Government negligence on his part and that he will also be held personally responsible for any loss arising from negligence on the part of any other Government ornament officer to the extent to which it may be shown that he contributed to the loss by his own action or negligence.”

During the scrutiny of the accounts record of MD, LIEDA, Hub for the financial year 2018-19, it revealed that LIEDA purchased 132,083,140 units of electricity from M/s K-Electric for distribution among the industries of Lasbela (HITE + WITE feeders). While checking the record of electric billing Section, it was noticed that the department issued bills for 125,080,672 units leaving a difference of 7,002,468 units costing Rs 135.708 million on average unit rate of Rs. 19.380/Unit charged by LIEDA. This resulted in a loss to the Authority, as detailed below:

S. No.	Billing month	K-Electric billed Units		LIEDA billed Units		Units less billed
		HITE	WITE	HITE feeder (HITE + Marble City)	WITE feeder	
1	07, 18	8,850,000	110,564	8,451,665	128,237	380,662
2	08, 18	12,172,262	143,190	11,369,711	116,355	829,386
3	09, 18	8,676,798	227,326	8,280,336	224,403	399,385
4	10,18	10,720,000	298,108	9,881,760	294,628	841,720
5	11, 18	12,143,000	330,176	11,480,606	363,711	628,859
6	12, 18	11,785,000	257,408	11,176,422	225,948	640,038
7	01, 19	11,804,000	141,164	11,271,364	145,534	528,266
8	02, 19	10,925,000	48,122	10,621,877	41,247	309,998
9	03, 19	10,686,000	46,968	10,001,337	41,374	690,257
10	04, 19	10,480,000	70,444	9,943,535	64,288	542,621
11	05, 19	11,707,000	82,816	11,278.347	86,317	425,152
12	06,19	10,266,000	111,794	9,487,020	104,650	7,86,124
Total		130,215,060	1,868,080	123,243,980	1,836,692	7,002,468
Total cost of units less billed (Number of units x average Cost) Rs. 135.708 million						

Non-realization of dues resulted in a revenue shortfall.

The matter was reported to LIEDA authorities during December, 2019 but no reply was received.

The management was requested to convene the DAC meeting in February 2020 but no meeting was held despite repeated reminder in September, October, and November, 2020.

The matter is reported for justification/clarification. Besides, responsibility be fixed on the persons at fault.

3.6.2 Overpayment on account of GST - Rs. 48.910 million

As per, FBR, Sales Tax general order No. 40 of 2012, dated July 18, 2012 and 32 of 2006, dated March 30, 2016 amendment in STGO 15/2007, dated September 13, 2007 allowing facility of zero-rating on supply of electricity.

MD, LIEDA paid an amount of Rs. 48.910 million to K-Electric on account of GST against electricity supplied to various industrial units during the financial year 2018-19. Scrutiny of the record of electricity payments revealed that five industries were exempted from GST on electricity and instead of claiming refund of these exempted industries from FBR, the undue burden of GST payment was placed on LIEDA and an amount of Rs. 48.910 million was overpaid in violation of above Rule. Details are provided as under:

(Rs. in million)

S. No.	Name of factory	Registration No.	Electricity reference No.	Date of exemption	GST amount overpaid
1	M/s Diamond International	1200520500355	B-238	08.06.2008	39.563
2	M/s Vantage Corporation	1100511127682	C-36B	08.06.2008	1.005
3	M/s Chemi Dyestuffs Ind.	601320800237	B- 171	13.09.2007	0.160
4	NP Cotton Mills	1200520501673	D-124	30.06.2016	3.223
5	NP Cotton Mills	1200520501673	K-004	30.03.2016	4.959
Total					48.910

Overpayment of GST resulted in a loss to the authority, which showed financial management failures.

The matter was reported to LIEDA authorities during December, 2019 but no reply was received.

The management was requested to convene the DAC meeting in February 2020 but no meeting was held despite repeated reminder in September, October, and November, 2020.

Audit recommends that the matter may be taken up with the FBR on priority for refund of overpaid GST amount to the authority.

3.6.3 Non-realization of water and electricity charges - Rs. 8.058 million

As per Para 26 of GFR Vol-I, “It is the duty of departmental controlling officer to see that all sums due to government are regularly and promptly assessed, realized and duly credited in the Government Account.”

During scrutiny of receipt record of LIEDA for the financial year 2018-19, it was observed that the Managing Director, LIEDA did not recover an amount of Rs. 8.058 million on account of water and electricity charges against various factories, as detailed below:

(Rs. in million)

S. No.	Plot No.	Name of consumer	Amount
1	A-271	Police Station, HITE	0.674
2	A-239	M/s Supreme Motors	0.016
3	B-236	M/s Quetta Distiller	1.800
4	C-094	M/s Quetta Steel	0.042
5	C-250	M/s MGI Enterprises	0.101
6	D-006	M/s Rose field	0.901
8	D-064	M/s Bukhari Ice	0.312
9	E-146	M/s Huzaiifa Engineer	0.046
10	A-071	M/s Sarwan Marble	1.670
11	A-271	M/s Falcon Steel	2.428
12	A-239	M/s Supreme Motors	0.068
Total			8.058

Non-realization of dues resulted in a revenue shortfall.

The matter was reported to LIEDA authorities during December, 2019 but no reply was received.

The management was requested to convene the DAC meeting in February, 2020 but no meeting was held despite repeated reminder in September, October, and November, 2020.

The matter is reported for justification/clarification. Besides, total outstanding dues of water and electric charges may be calculated and recovery be affected.

3.7 University of Balochistan (UoB)

3.7.1 Introduction

The UoB, Quetta is the oldest educational institution of higher learning in the province entrusted with the responsibilities to educate and train potentially talented human resource and manpower to meet the emerging needs of the industry and society. It plays a vital role in the development of Pakistan in general and Balochistan in particular.

3.7.2 Comments on Budget and Accounts (Variance Analysis)

Non-Development funds amounting to Rs. 2,295.513 million were allocated to the University of Balochistan during the financial year 2018-19. Against the said allocation, an expenditure of Rs. 2,169.907 million was incurred, as summarized below:

(Rs. in million)

2018-19				
Type of grant	Final grant	Actual expenditure	Excess/ (Saving)	Percentage
Non-Development	2,095.513	1,987.912	107.601	
Development	200.00	181.995	18.005	
Total	2,295.513	2,169.907	125.606	13.203

3.7.3 Audit Profile of UoB, Quetta

(Rs. in million)

S. No.	Description	Total numbers	Audited	Expenditure audited financial year 2018-19	Revenue/ Receipts audited financial year 2018-19
1	Formations				
2	Assignment Accounts				
3	Special Drawing Accounts				

S. No.	Description	Total numbers	Audited	Expenditure audited financial year 2018-19	Revenue/ Receipts audited financial year 2018-19
4	Authorities/ Autonomous Bodies etc. under the PAO	1	1	2,306.800	-
5	Foreign Aided Project (FAP)				

3.7.4 Classified Summary of Audit Observations

Audit observation amounting to Rs. 12.357 million were raised in this report during the current audit of UoB. This amount also includes recoveries of Rs. 12.357 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rs. in million)

S. No.	Classification	Amount
1	Government taxes	12.357

3.7.5 Brief comments on the status of compliance with PAC directives

S. No.	Audit Report Year	Total Paras	Compliance received	Compliance not received	Percentage of compliance
1	2009-2010	1	0	1	0
2	2013-2014	6	0	6	0
3	2014-2015	3	0	3	0
4	2015-2016	3	0	3	0
5	2016-2017	2	0	2	0
6	2017-2018	8	8	-	100%
7	2019-2020	2	0	2	0
Total		25	8	2	32%

3.8 AUDIT PARAS

3.8.1 Non-recovery of BSTS from the contractors - Rs. 12.357 million

According to Section 3 of BSTS Act, 2015, “The GoB levies Sales Tax @ 15% on provision of services rendered by engineering consultants, Contractors of building (Including water supply, gas supply and sanitary works, roads and bridges, electrical and mechanical works including air conditioning), (Including turn-key projects) and similar other works. A taxable service is a service listed in Second Schedule, which is provided by a person from his office or place of business in Balochistan in the course of an economic activity, including the commencement or termination of the activity.”

The Director, Engineering and Works, UoB, Quetta executed the development works under the Project Title: "Strengthening of the University of Balochistan, Quetta and its Campuses" and "Pakistan study center on campus hostel facilities" during the financial years 2016-18 and paid Rs. 307.652 million to different contractors without deduction of BSTS amounting to Rs. 9.223 million. Besides, Rs. 44.913 million were paid on account of Janitorial, Tracking and Catering Service but BSTS amounting to Rs. 3.134 million was not deducted from the firms as mentioned in Annexure 3.8.1.

Non-realization of government taxes on provision of services by engineering consultant/execution of contracts caused a revenue loss to the Government.

The matter was reported to the University in July, 2019 but no reply was received.

In the DAC meeting held on December 24, 2020, management replied that the university was unaware about the implementation of BSTS. DAC directed the management of university to provide the details of work order(s) issued before the execution of BSTS to audit for verification and recover the remaining amount of BSTS from the concerned contractor.

No further progress was intimated to audit till finalization of this report.

Audit recommends recovery of the Government dues.

3.9 Gwadar Industrial Estate Development Authority

3.9.1 Introduction

The GoB is developing an Industrial Estate in Gwadar to meet the demand for industrial plots in the port city, which is expected to have substantial potential for industrial investment in view of the opportunity offered by the Establishment of Deep Sea Port and construction of major highways linking Gwadar with Karachi, Quetta, Iran and Central Asian Countries.

3.9.2 Comments on Budget and Accounts (Variance Analysis)

Development and Non-Development funds amounting to Rs 1,819.170 million were allocated to the Authority during the financial year 2018-19, against the said allocation, an expenditure of Rs 160.227 million was incurred, as summarized below:

Type of grant	2018-2019			
	Final Grant	Actual expenditure	Excess/ (Saving)	%
Non-Development	163.990	133.203	30.787	
Development	1,655.180	27.024	1,658.947	
Total Non-Development	1,819.170	160.227	1,658.943	8.80

3.9.3 Audit Profile of GEIDA

(Rs. in million)

S. No.	Description	Total number	Audited	Expenditure audited financial years 2017-19	Revenue/ Receipts audited financial years 2017-19
1	Formations	-	-	-	-
2	Assignment Accounts	-	-	-	-
3	Special Drawing Accounts	-	-	-	-
4	Authorities/ Autonomous Bodies etc. under the PAO	1	1	160.227	-
5	Foreign Aided Project (FAP)	-	-	-	-

3.9.4 Classified Summary of Audit Observations

Audit observation amounting to Rs. 15.015 million were raised in this report. This amount also includes recoveries of Rs. 15.015 million as pointed out by audit. Summary of the audit observations classified by nature is as under:

(Rs. in million)

S. No.	Classification	Amount
1	Recoveries	7.325
2	Government Taxes	7.690

3.9.5 Brief comments on the status of compliance with PAC directives

S. No.	Audit Report Year	Total Paras	Compliance received	Compliance not received	Percentage of compliance
1	2011-2012	1	-	1	0
2	2013-2014	7	-	7	0
3	2014-2015	4	-	4	0
Total		12	-	12	0

Note: Most of the audit reports have not been discussed by PAC.

3.10 AUDIT PARAS

3.10.1 Non-realization of outstanding installments of industrial and commercial plots - Rs. 7.325 million

According to Clause No. III (b) of terms and conditions of Lease Agreement framed by GIE for different categories of plots (I) The cost of 1 Acre Industrial plot was fixed Rs. 1.500 million. After down payment of Rs. 0.100 million, the remaining amount was required to be paid in 8 equal quarterly installments of Rs. 0.175 million each. (II) The cost of 1,000 Sq. Yards Commercial plot was fixed Rs. 0.500 million. After down payment of Rs. 0.100 million, the remaining amount was required to be paid in 4 equal quarterly installments of Rs. 0.100 million each. (III) The cost of 400 Sq. Yards Commercial plot was fixed Rs. 0.300 million. After down payment of Rs. 0.100 million, the remaining amount was required to be paid in 4 equal quarterly installments of Rs. 0.050 million each. (IV) The cost of 200 Sq. Yards Commercial plot was fixed Rs. 0.200 million. After down payment of Rs. 0.100 million, the remaining amount was required to be paid in 2 equal installments of Rs. 0.050 million each.

The MD, GIEDA had to realize outstanding installments of industrial and commercial plots valuing Rs. 7.325 million from the owners/investors of industrial and commercial plots. This issue has already been reported in the previous audit reports, however, the efforts of GIEDA are not significant in recovering the outstanding amounts of the authority.

Non-recovery of dues may lead the Authority to financial constraints.

The matter was reported to the Authority in December, 2019 but no reply was received.

In the DAC meeting held on January 12, 2021, the department intimated that partial recovery has been made. The committee directed to recover the outstanding amount.

No progress was intimated till finalization of this report.

Efforts be made to expedite the recovery of outstanding dues from the concerned owners/allottees.

3.10.2 Non-deduction of governmental taxes - Rs. 7.690 million

According to BRA’s Second Schedule of Taxable Services Part B, Tariff heading 98.06.4000, “15% Sales Tax is levied on advertisement services.” Further, according to Section 153(1)(b) of Income Tax Ordinance, 2001 amended up to June, 2019, Income tax should be deducted @10% from filer and @ 20% from non-filer on services rendered.” Further as per Income Tax Ordinance, circulated vide No. TO/I. Tax/ENF(MTU)/QTA/53/3/ 2006-07 dated July 17, 2006, “Income tax of the gross payment should be deducted under Section 153 (1)(b) from the contractors at the time of payment for service rendered.” Further, according to Section 3 of BSTS Act, 2015, “The GoB levies Sales Tax @ 15% on provision of services rendered by engineering consultants, Contractors of building (Including water supply, gas supply and sanitary works, roads and bridges, electrical and mechanical works including air conditioning), (Including turn-key projects) and similar other works.”

The MD, GIEDA made payment of Rs. 41.031 million to consultant and different contractors/firms during the financial years 2017-19. BSTS on services and income tax was not deducted from the contractors resulting in a revenue loss of Rs. 7.690 million, as detailed below:

(Rs. in million)			
S. No.	Name of office	AIR Para No.	Amount
1	MD, GIEDA	02	0.194
2	MD, GIEDA	06	4.659
3	MD, GIEDA	09	2.303
4	MD, GIEDA	11	0.534
Total			7.690

Non-deduction of BSTS and income tax resulted in revenue losses to the government.

The matter was reported to the department in December, 2019 but no reply was received.

In the DAC meeting held on January 12, 2021, the department was directed to recover the government tax.

No progress was intimated till finalization of this report.

Audit recommends that governmental taxes may be recovered from the concerned consultant/contractors.

3.11 Sardar Bahadur Khan Women's University, Quetta

3.11.1 Introduction

Sardar Bahadur Khan Women's University, Quetta was established in 2002. Aim of the university is promotion and dissemination of knowledge in areas of emerging science and technology besides providing instructions, training, research, demonstration and service in such branches of learning as the University may determine.

3.11.2 Comments on Budget and Accounts (Variance Analysis)

Development funds amounting to Rs. 1,479.123 million were allocated to Sardar Bahadur Khan Women's University, Quetta during the financial year 2017-18. Against the said allocation, an expenditure of Rs. 943.071 million was incurred, as summarized below:

(Rs. in million)

Type of grant	2017-18			
	Final grant	Actual expenditure	Excess / (Saving)	%
Development	1,479.123	943.071	(536.052)	36%
Total	1,479.123	943.071	(536.052)	36%

3.11.3 Audit Profile of Sardar Bahadur Khan Women's University, Quetta

(Rs. in million)

S. No.	Description	Total number	Audited	Expenditure audited financial year 2017-18	Revenue/ Receipts audited financial year 2017-18
1	Formations	-	-	-	-
2	Assignment Accounts	-	-	-	-
3	Special Drawing Accounts	-	-	-	-
4	Authorities/ Autonomous Bodies etc. under the PAO	1	1	943.071	-
5	Foreign Aided Project (FAP)	-	-	-	-

3.11.4 Classified Summary of Audit Observations

Audit observation amounting to Rs. 561.417 million were raised in this report during the current audit (2014-2017) of Sardar Bahadur Khan Women's University, Quetta. Summary of the audit observations classified by nature is as under:

(Rs. in million)		
S. No.	Classification	Amount
1	Non-production of record	522.673
2	Irregularities	38.744

3.11.5 Brief comments on the status of compliance with PAC directives

S. No.	Audit Report Year	Total Paras	Compliance received	Compliance not received	Percentage of compliance
1	2008-2009	2	-	2	-
2	2012-2013	1	-	1	-
3	2013-2014	2	-	2	-
4	2014-2015	2	-	2	-
5	2015-2016	3	-	3	-
6	2017-2018	2	2	-	-
Total		12	2	10	16%

Most of the Audit Reports have not yet been discussed by the PAC.

3.12 AUDIT PARAS

3.12.1 Non-production of record - Rs. 522.673 million

According to Article 170 (2) of the Constitution of Islamic Republic of Pakistan read with Para 14-1 of the Auditor General's Ordinance, 2001, "The audit of the accounts of Federal and of the Provincial Governments and accounts of any authority or body established by, under the control of, the Federal or Provincial Government shall be conducted by the Auditor-General, who shall determine the extent and nature of such audit and Shall, have authority to require

that any account, books, papers and other documents which deal with, or form, the basis of or otherwise relevant to the transactions to which his duties in respect of audit extend, shall be sent to such place as he may direct for his inspection. The officer in-charge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with all reasonable expedition, further, any person or authority hindering the auditorial functions of the Auditor General regarding inspection of accounts shall be subject to disciplinary action under relevant Efficiency and Discipline Rules, applicable to such person.”

The Sardar Bahadur Khan Woman University, Quetta incurred an expenditure of Rs. 522.673 million during the financial years 2014 to 2018 on the following components but no record was produced to audit for scrutiny.

(Rs. in million)

S. No.	Project	Component	Amount
1	Strengthening and Development	Human Resources Development	119.354
2		Pro & Acc: Liabilities (Increased)	85.923
3		Pro & Acc: Liabilities (Adjusted)	75.745
4		Advances (Increased)	17.699
5		Advances (Adjusted)	17.586
6		CMS staff pay detail	No record produced
7	Academic and facilities	Capacity building faculty	56.866
8		Pro & Acc: Liabilities (Increased)	66.932
9		Pro & Acc: Liabilities (Adjusted)	58.117
10		Advances (Increased)	18.689
11		Advances (Adjusted)	5.762
Total			522.673

Non-production of record was a violation of above-mentioned Rule and rendered the expenditure unaudited.

The matter was reported to the University on December 06, 2019 but no reply was received.

In the DAC meeting held on February 27, 2020, DAC directed the management for provision of relevant record to audit for scrutiny.

No record was produced till finalization of this report.

Audit recommends that complete record of the expenditure be produced to audit in addition to initiation of disciplinary action against the persons responsible.

3.12.2 Irregular execution of contract of CMS/ERP work without requisite experience - Rs. 38.744 million

As per bidding documents for implementation of (CMS/ERP) Solution at SBK Women University, “i) The firm must have worked with partner organization with major enterprise application platforms in Pakistan (Microsoft, Oracle, IBM and SAP) since last five year and, ii) The firm must have successful implementation of the proposed solution in at least three (3) similar projects (With deployment of ERP/CMS in Pakistan).”

The SBK Women University awarded the work procurement and deployment of Campus Management System (CMS) and Financial Enterprise Resource Planning Solution (ERP) to M/s i3 Pathfinder Joint Venture with M/s Inbox Business Technologies (Ltd.) on May 02, 2017 at a cost of Rs. 38.744 million. The contract was awarded on the basis of 5-year experience and successful implementation of 3 similar projects. M/s i3 Pathfinder lacked the said expertise and claimed that it had entered into a joint venture with M/s Inbox Technologies, which had the required experience and expertise. However, the said joint venture had not come into force as the two firms failed to sign a consortium agreement for executing the project.

M/s Inbox Business Technologies (Ltd.) were contacted for confirmation of joint venture through a Letter on July 18, 2019 by field audit team. In response, M/s Inbox Business Technologies (Ltd.) confirmed that no consortium agreement for execution of project was signed between them and M/s i3 Pathfinder. Further, firm stated that they did not provide expertise on the project to M/s i3 Pathfinder or implementation of “Oracle” CMS Project in SBK.

Lack of expertise and experience on part of the contractor led to development of non-functioning CMS/ERP.

The matter was reported to the University on December 06, 2019 but no reply was received.

In the DAC meeting held on February 27, 2020, the management replied that the firms with rich experience for implementation of ERP/CMS participated in joint venture. The steering committee also advised to evaluate these bids from technical expert before implementation of CMS/ERP. However, audit was of the opinion that the joint venture was not executed and the firm entering into the JV confirmed the same through Letter referred above. DAC directed that the case may be referred to the PPRA for a clarification regarding contract and bidding process.

No record was produced till finalization of this report.

Audit recommends that matter be inquired for fixing responsibility against the officials at fault as the public money spent has not resulted in the planned objective.

3.13 Balochistan University of Engineering and Technology, Khuzdar

3.13.1 Introduction

The Balochistan University of Engineering and Technology (UET), Khuzdar was established in 1994. Purpose of the University is to provide engineering knowledge of various faculties to the students.

3.13.2 Comments on Budget and Accounts (Variance Analysis)

Non-Development funds amounting to Rs 738.255 million were allocated to the University during 2018-2019. Against the said allocation, an expenditure of Rs 633.672 million was incurred, as summarized below:

(Rs. in million)

Type of grant	2018-2019			
	Final grant	Actual expenditure	Excess/ (Saving)	%
Non-Development	608.255	475.976	(132.279)	
Development	130	157.696	104.583	
Total Non-Development	738.255	633.672	104.583	14%

3.13.3 Audit profile of Balochistan University of Engineering and Technology, Khuzdar

(Rs. in million)

S. No.	Description	Total number	Audited	Expenditure audited financial year 2018-19	Revenue/ Receipts audited financial year 2018-19
1	Formations	-	-	-	-
2	Assignment Accounts	-	-	-	-
3	Special Drawing Accounts	-	-	-	-
4	Authorities/ Autonomous Bodies etc. under the PAO	1	1	1,328.976	-
5	Foreign Aided Project (FAP)	-	-	-	-

3.13.4 Classified Summary of Audit Observations

Audit observation amounting to Rs. 4.607 million were raised in this report during the current audit of BUET, Khuzdar. Summary of the audit observations classified by nature is as under:

(Rs. in million)		
S. No.	Classification	Amount
1	Irregularities	4.607

3.13.5 Brief comments on the status of compliance with PAC directives

S. No.	Audit Report Year	Total Paras	Compliance received	Compliance not received	Percentage of compliance
1	2007-2008	1	-	1	0
2	2008-2009	2	-	2	0
3	2014-2015	1	-	1	0
Total		4	-	4	0

Note: Most of the audit reports have not been discussed by the PAC.

3.14 AUDIT PARAS

3.14.1 Excess expenditure on electricity - Rs. 4.607 million

According to Para 11 of GFR, Vol-I, "Every public officer is responsible for enforcing financial order and strict economy at every step. He is also responsible for observing all rules and regulations both by his own office and sub-ordinate offices."

The BUET, Khuzdar paid an amount of Rs. 43.546 million for electricity bills of offices, residential colony and hostels etc. Huge amount of electricity bills was paid but a meager amount of recoveries was made from the residents. Rates of electricity units charged to the residential consumers of the university were very low as compared to actual rates paid to QESCO. Hence, a loss amounting to Rs. 4.607 million was borne by the University during the financial year 2018-19. Detail is as under:

(Rs. in million)

S No.	Billing month	Units of bills	Rate paid to QESCO	Rate charged to residents	Difference in rate	Difference amount
1	July-18	26,030	17.873	8.097	9.776	0.254
2	August-2018	30,633	18.193	5.707	12.486	0.382
3	September-2018	27,552	18.012	6.567	11.445	0.315
4	October-2018	26,783	18.994	5.843	13.151	0.352
5	November-2018	27,868	17.682	5.235	12.447	0.347
6	December-2018	25,571	18.219	7.748	10.471	0.268
7	January-2019	29,996	17.404	5.194	12.210	0.366
8	February-2019	25,242	21.418	12.874	8.544	0.216
9	March-2019	39,430	23.640	5.769	17.871	0.705
10	April-2019	36,080	23.054	4.632	18.422	0.665
11	May-2019	26,453	20.575	7.049	13.526	0.358
12	June-2019	27,189	21.577	7.658	13.919	0.378
Total						4.607

Weak financial controls and violation of canons of financial propriety resulted in a burden and loss to the University.

The matter was reported to the University in June, 2020 but no reply was received.

In the DAC meeting held on August 17, 2020, it was informed that about 10% of total units were consumed in the residential quarters out of total units consumed in the university. The entity was of the view that deduction of electricity charges on commercial rates from the residents was not justifiable. DAC directed the management of the University for providing the detail of residential units of one year to audit for verification. Moreover, it was also directed to write a letter to QESCO for separate electric meters for residential units.

No action taken was reported till finalization of this report.

Audit recommends that separate electric meters be installed and recovery of overpaid amount be made good.

Chapter 4

4.1 Board of Revenue (BoR)

4.1.1 Introduction

The major functions of the Revenue Department include administration of land, land taxation, land revenue, preparation, updation and maintenance of record pertaining to land ownership. It is the highest revenue court and custodian of rights in land of all right holders. Revenue Department exercises general superintendence and control over revenue courts in the province.

The compulsory land acquisition in public interest under Land Revenue Act, territorial adjustments and disputes are also decided by this department. Stamps, judicial and non-judicial papers are also supplied by the Revenue Department.

The Revenue department plays a very vital role in providing relief to affectees of flood, earthquake and other natural disasters.

The agriculture income tax and Abiana are also assessed and collected by this department.

4.1.2 Comments on Budget and Accounts (Variance Analysis)

Non-development funds amounting to Rs. 5,873.562 million were allocated to the department during the financial year 201-20. Against the said allocation, an expenditure of Rs. 5,471.651 million was incurred by the department, as summarized below:

(Rs. in million)

Type of grant	2019-20			
	Final grant	Actual expenditure	Excess/ (Saving)	Percentage
Non-development	5,873.562	5,471.651	(-)401.911	6.84

Department did not surrender the saving of Rs. 401.911 million against non-development, which indicated improper budgeting and financial mismanagement.

4.1.3 Audit profile of BoR, Balochistan

(Rs. in million)

S. No.	Description	Total number	Audited	Expenditure audited financial year 2019-20	Revenue/ Receipts audited financial year 2019-20
1	Formations	44	89	14,799.220	28.868
2	Assignment Accounts	1	1	488.279	-
3	Special Drawing Accounts	-	-	-	-
4	Authorities/ Autonomous Bodies etc. under the PAO	-	-	-	-
5	Foreign Aided Project (FAP)	-	-	-	-

4.1.4 Classified Summary of Audit Observations

Audit observation amounting to Rs. 1,082.185 million were raised in this report during the current audit of BoR. This amount also includes recoveries of Rs. 906.652 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rs. in million)

S. No.	Classification	Amount
1	Non-production of record	57.267
2	Overpayments	3.833
3	Tax and Duties	114.433
4	Recoverable	906.652

4.1.5 Brief comments on the status of compliance with PAC directives

S. No.	Audit Report Year	Total Paras	Compliance received	Compliance not received	Percentage of compliance
1	2012-2013	16	-	16	0
2	2013-2014	13	-	13	0
3	2014-2015	15	-	15	0
4	2015-2016	11	-	11	0
5	2016-2017	22	-	22	0
6	2017-2018	16	16	-	100%
7	2018-2019	32	-	32	0
8	2019-2020	13	-	13	0
Total		138	16	122	13%

Most of the Audit Reports have not yet been discussed by the PAC.

4.2 AUDIT PARAS

4.2.1 Non-production of record - Rs. 57.267 million

According to Article 170 (2) of the Constitution of Islamic Republic of Pakistan, 1973 read with Para 14-1 of the Auditor General's Ordinance, 2001, "The audit of the accounts of Federal and of the Provincial Governments and accounts of any authority or body established by, under the control of, the Federal or Provincial Government shall be conducted by the Auditor-General, who shall determine the extent and nature of such audit and Shall, have authority to require that any account, books, papers and other documents which deal with, or form, the basis of or otherwise relevant to the transactions to which his duties in respect of audit extend, shall be sent to such place as he may direct for his inspection. The officer in charge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with all reasonable expedition, further, any person or authority hindering the auditorial functions of the Auditor General regarding inspection of accounts shall be subject to disciplinary action under relevant Efficiency and Discipline Rules, applicable to such person."

The following offices of BoR incurred an expenditure of Rs. 57.267 million during the financial year 2018-19 but did not provide record to audit for inspection as required under the Rules. Details are as under:

(Rs. in million)

S. No.	AIR Para No.	Period	Name of offices	Description	Amount
1	3	2018-19	Deputy Commissioner, Gawadar	Others sports activities and secret services	3
2	13	2018-19	Deputy Commissioner, Kachi	Repair of buildings	30.294
3	19	2018-19	Commissioner, Mekran Division	Development	18.973
4	3	2018-19	Deputy Commissioner, Killa Abdullah	Repair of building	5
Total					57.267

Non-production of record was misconduct on the part of offices mentioned above as the related expenditure remained unaudited.

The matter was reported to the department in March, May and February, 2020 and October, 2019 respectively but no reply was received.

The PAO was requested to convene a DAC meeting in July and November, 2020 followed by a reminder issued during September and December, 2020 but no meeting was held till finalization of this report.

Audit recommends that responsibility be fixed on the persons at fault besides production of record for scrutiny.

4.2.2 Overpayment due to allowing inadmissible item of work - Rs. 3.833 million

As per B&R Code 2.86 and CPWD Code 56, "The authority granted by a sanction to an estimate must remain strictly limited to the precise objects for which the estimate was intended. If subsequent to the grant of technical sanction, material structural alterations are contemplated, the orders of the

original sanctioning authority should be obtained even though no additional expenditure is involved by the alterations.”

The Commissioner/PD, CMDDP, Kalat Division at Khuzdar awarded the work “Improvement/construction of roads in Town, District Awaran” to a contractor during June, 2018. Earthwork for embankment was carried out with gravelly soil. Over the said gravelly embankment, again pitrun gravel was laid as sub base. Therefore, separate payment for pitrun gravel was not admissible. Thus, due to allowing inadmissible item of work, an overpayment of Rs. 3.833 million was made to the contractor, as detailed below:

(Rs. in million)

S. No.	Description	Quantity (Cum)	Rate (Per Cum)	Amount
1.	Providing and stacking pitrun gravel (SI No. 21-19/ii)	8,724.260	210.100	1.833
2.	Laying pitrun gravel (SI No. 21-23/b)	5,254.200	212.300	1.115
Total				2.948
Add premium @ 30% above on Balochistan CSR, 1998				0.885
Grand total				3.833

Payment of inadmissible item of work depicted that undue financial benefit was extended to the contractor at the cost of public interest.

The matter was reported to the department in January, 2019 but no reply was received.

The PAO was requested to convene a DAC meeting in July and November, 2020 followed by a reminder issued during September and December, 2020 but no meeting was held till finalization of this report.

Audit recommends that the recovery be affected from the concerned contractor.

4.2.3 Overpayment due to additional payment of prime coat - Rs. 2.340 million

As per Specification of Roads and Highways of Handbook of Civil Engineering, “The prime coat is the initial application of a binder to an abstract

high way surface prior to premix carpeting, whereas, tack coat is the initial application of a binder to an existing surface to ensure thorough bond between the new construction and the existing surface and tack coat and prime coat are not given together.”

The Commissioner/PD, CMMDP, Sibi paid to the contractors for premix carpeting of various schemes during the financial year 2018-19. Payment was made at the rate of Rs. 239.100 Per Sqm under SI No. 21-35(c) that included cost of tack coat at the rate of Rs. 52.700 Per Sqm. In addition, prime coat was also paid at the rate of Rs. 33 Per Sqm. As per criterion, tack coat and prime coat are not applied together for one surface. Thus, due to additional payment of cost of prime coat, an overpayment of Rs. 2.340 million was made to the contractors, as detailed in Annexure 4.1.

Additional payment of prime coat resulted in overpayment to the contractors and caused loss to the government.

The matter was reported to the department in January, 2020 but no reply was received.

The PAO was requested to convene a DAC meeting in July and November, 2020 followed by a reminder issued during September and December, 2020 but no meeting was held till finalization of this report.

Audit recommends recovery of the overpaid amount from the contractors.

4.2.4 Non-realization of outstanding Ushar - Rs. 524.373 million

According to Sub Rule 2 of Rule 17 of Ushar (Assessment and collection) Rules, 1994, “If the ushar demanded is not paid within fifteen days after the period specified it shall be recorded as arrears of land revenue order, Section of 113 to 115 of Land Revenue Act, 1894.”

The following offices of the BoR did not recover Ushar according to the prescribed rates from Khatedars during the financial year 2018-19, which

resulted in short realization of Rs. 524.645 million, as detailed below. This issue has already been reported to PAC through previous audit reports and this year, it is again being reported as the amount involved is significant and it also encompasses the performance of the DCs/District Collectors regarding revenue generation.

(Rs. in million)

S. No.	AIR Para No.	Name of formation	Amount
1	11	Deputy Commissioner, Sohbatpur	28.989
2	1	Deputy Commissioner, Kachhi	14.470
3	2	Deputy Commissioner, Naseerabad	480.914
Total			524.373

Further details are at Annexure 4.2.

Less realization of Ushar resulted in a revenue loss to the Government.

The matter was reported to the department in January, April and May, 2020 and December, 2019 respectively but no reply was received.

The PAO was requested to convene a DAC meeting in July and November, 2020 followed by a reminder issued during September and December, 2020 but no meeting was held till finalization of this report.

Audit recommends that the amount of Ushar be recovered and deposited in Government treasury.

4.2.5 Less realization of Abiana - Rs. 379.939 million

As per Balochistan Occupiers Rates Abiana Rules, 1999, "The Abiana in respect of water supply from irrigation schemes, canals, bed works, weirs, tube wells etc. for irrigation purpose as per actual expenditure shall be received as per rates given in the schedule."

The following offices of the BoR did not recover Abiana according to the prescribed rates from Khatedars during 2018-19, which resulted in short realization of Rs. 379.939 million, as detailed below. This issue has already been reported to PAC through previous audit reports and this year, it is again

being reported as the amount involved is significant and it also speaks about the performance of the DCs/District Collectors regarding revenue generation.

(Rs. in million)

S. No.	AIR Para No.	Period	Name of formation	Amount
1	1	2018-19	Deputy Commissioner, Naseerabad	375.252
2	12	2018-19	Deputy Commissioner, Sohbatpur	4.687
Total				379.939

Further details are at Annexure 4.3.

Less realization of Abiana resulted in revenue losses to the Government.

The matter was reported to the department in December, 2019 and April 2020 respectively but no reply was received.

The PAO was requested to convene a DAC meeting in July and November, 2020 followed by a reminder issued during September and December, 2020 but no meeting was held till finalization of this report.

Audit recommends that the amount of Abiana be recovered and deposited in the Government treasury.

4.2.6 Non-deduction of BSTS - Rs. 114.433 million

According to Section 3 of BSTS Act, 2015, “The GoB levied Sales Tax @ 15% on provision of services rendered by engineering consultants, Contractors of buildings (Including water supply, gas supply and sanitary works, roads and bridges, electrical and mechanical works including air conditioning), (Including turn-key projects) and similar other works.”

The Commissioners/PD, Development Packages, Quetta and Sibi divisions paid Rs. 608.765 million and Rs. 251.179 million respectively to different contractors on account of various works executed without deduction of BSTS at source. Due to non-deduction of BSTS, revenue loss amounting Rs. 114.433 million was sustained by the Government, as summarized below and detailed in Annexure 4.4.

(Rs. in million)

S. No.	Name of offices	AIR Para No.	Amount	BSTS
1	Commissioners/PD, Development Package, Quetta	10	608.765	81.670
2	Commissioners/PD, Development Package, Sibi	2	251.179	32.763
Total				114.433

Non-deduction of BSTS resulted in a revenue loss to the government.

The matter was reported to the department in October, 2019 and January, 2020 respectively but no reply was received.

The PAO was requested to convene a DAC meeting in July and November, 2020 followed by a reminder issued during September and December, 2020 but no meeting was held till finalization of this report.

Audit recommends that the amount of BSTS may be recovered.

Chapter 5

5.1 Communication, Works, Physical Planning and Housing Department

5.1.1 Introduction

Construction, maintenance and repair of roads, bridges, tunnels, ropeways and buildings are the main functions of the department. It also renders services in the field of engineering training for the Departmental Engineers, Public Health Works pertaining to Government buildings and Government residential estates.

5.1.2 Comments on Budget and Accounts (Variance Analysis)

Development and Non-Development funds amounting to Rs. 33,074.324 million were allocated to the department during the financial year 2019-20. Against the said allocation, an expenditure of Rs. 32,154.610 million was incurred, as summarized below:

(Rs. in million)

Grant No.	Type of grant	2019-20			
		Final grant	Actual expenditure	Excess/ (Saving)	Percentage
13	Non-Development Grant No. BC21013	10,771.408	10,031.653	(-)739.755	6.87
120	Development Grant No. BC12213 Function No. 045202	22,302.916	22,122.957	(-)179.959	0.81
Grand Total (Non-Development + Development)		33,074.324	32,154.610	(-)919.714	2.78

The department did not surrender the saving of Rs. 919.714 million against non-development and development grants, which indicated improper budgeting and financial mismanagement.

5.1.3 Audit profile of Communication, Works Physical Planning and Housing Department, Balochistan

(Rs. in million)

S. No.	Description	Total number	Audited	Expenditure audited financial year 2019-20	Revenue/ Receipts audited financial year 2019-20
1	Formations	143	52	20,556.200	0.288
2	Assignment Accounts	2	-	-	-
3	Special Drawing Accounts	-	-	-	-
4	Authorities/ Autonomous Bodies etc. under the PAO	-	-	-	-
5	Foreign Aided Project (FAP)	-	-	-	-

5.1.4 Classified Summary of Audit Observations

Audit observation amounting to Rs. 3,524.891 million were raised in this report during the current audit of Communication, Works, Physical Planning and Housing Department. This amount also includes recoveries of Rs. 599.167 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rs. in million)

S. No.	Classification	Amount
1	Irregularities	1,902.370
2	Overpayments	366.824
3	Tax and duties	176.208
4	Loss	4.683
5	Others	1,074.806

5.1.5 Brief comments on the status of compliance with PAC directives

S. No.	Audit Report Year	Total Paras	Compliance received	Compliance not received	Percentage of compliance
1	1984-85	42	-	42	0
2	1988-89	22	-	22	0
3	1989-90	137	-	137	0
4	1990-91	62	-	62	0
5	1991-92	86	-	86	0
6	1992-93	36	-	36	0
7	1993-94	20	-	20	0
8	1994-95	32	-	32	0
9	1995-96	48	-	48	0
10	1996-97	48	-	48	0
11	1997-98	39	22	17	56%
12	1998-99	34	10	24	29%
13	2000-2001	44	42	2	95%
14	2001-2002	41	16	25	39%
15	2002-2003	65	-	65	0
16	2003-2004	15	-	15	0
17	2004-2005	28	-	28	0
18	2005-2006	38	23	15	60%
19	2006-2007	20		20	0
20	2007-2008	14	-	14	0
21	2008-2009	24	-	24	0
22	2009-2010	23	-	23	0
23	2010-2011	30	-	30	0
24	2011-2012	29	-	29	0
25	2012-2013	18	-	18	0
26	2013-2014	17	-	17	0
27	2014-2015	21	-	21	0
28	2015-2016	13	-	13	0
29	2016-2017	16	-	16	0
30	2017-2018	20	20	0	100%
31	2018-2019	17	-	17	0
32	2019-2020	16	-	16	0
Total		1,115	133	982	12.10%

Most of the Audit Reports have not yet been discussed by the PAC.

5.2 AUDIT PARAS (CWPP&H - Roads)

5.2.1 Overpayment due to allowing inadmissible items of work - Rs. 27.032 million

As per CPWA Code 16 and 220, “The Divisional and Sub Divisional Officers have to satisfy themselves before signing the bill that the quantities recorded in the MB, rates are correct, and calculations have been checked arithmetically.”

In the following offices of CWPP&H (Roads) department, the executive engineers allowed payments against different items of work with reference to the provisions of PC I and technically sanctioned estimates. This resulted in an overpayment of Rs. 27.032 million, as detailed in Annexure 5.1.

(Rs. in million)

S. No.	Name of office	AIR Para No./year	Amount
1	Executive Engineer, CWPP&H (Roads), Killa Saifullah	03/2018-19	4.728
2	Executive Engineer, CWPP&H (Roads), Awaran	06/2018-19	0.678
3	Executive Engineer, CWPP&H (Roads), Kech	01/2018-19	17.818
4	Executive Engineer, CWPP&H (Roads), Kech	08/2018-19	2.703
5	Executive Engineer, CWPP&H (Roads), Panjgur	08/2018-19	1.105
Total			27.032

Undue financial benefit was extended to the contractors.

The matter was reported to the department in October, 2019 and January and September, 2020 but no reply was received.

In the DAC meeting held on December 02, 2020, no reply was submitted by the Executive Engineer, CWPP&H, Killa Saifullah whereas, Executive Engineer, CWPP&H, Awaran did not attend the meeting hence, no decision could be taken. The DAC directed remaining three offices to provide record for verification to audit.

No further progress was intimated till finalization of this report.

Audit recommends that responsibility may be fixed against the officials at fault, besides affecting recovery from the concerned contractors.

5.2.2 Overpayment due to allowing excess quantities - Rs. 18.738 million

As per B&R Code 2.86 and CPWD Code 56, “The authority granted by a sanction to an estimate must remain strictly limited to the precise objects for which the estimate was intended. If subsequent to the grant of technical sanction, material structural alterations are contemplated, the orders of the original sanctioning authority should be obtained even though no additional expenditure is involved by the alterations.”

In the following divisions of CWPP&H (Roads) department, contractors were paid for different items of work by allowing excess quantities than provided in approved PC Is during the financial years 2017-19. This resulted in overpayments of Rs. 18.738 million to the contractors, as detailed in Annexure 5.2

(Rs. in million)

S. No.	Name of office	AIR Para No. /year	Amount
1	Executive Engineer, CWPP&H (Roads), Ziarat	02/2017-18	2.207
2	Executive Engineer, CWPP&H (Roads), Sibi	07/2018-19	0.829
3	Executive Engineer, CWPP&H (Roads), Quetta	02/2018-19	0.265
4	Executive Engineer, CWPP&H (Roads), Quetta	05/2018-19	0.301
5	Executive Engineer, CWPP&H (Roads), Awaran	01/2018-19	2.218
6	Executive Engineer, CWPP&H (Roads), Awaran	02/2018-19	3.929
7	Executive Engineer, CWPP&H (Roads), Naseerabad	02/2018-19	0.139
8	Executive Engineer, CWPP&H (Roads), Naseerabad	04/2018-19	0.339
9	Executive Engineer, CWPP&H (Roads), Jaffarabad	04/2018-19	1.045
10	Executive Engineer, CWPP&H (Roads), Washuk	03/2018-19	7.466
Total			18.738

Normally estimates are not prepared on the basis of feasibility study and sound data due to which frequent revisions and changes in the scope of work are witnessed. It results in overpayments and irregular enhancement of contracts.

The matter was reported to the department during October to December, 2019 and March to April, 2020 but no reply was received.

In the DAC meeting held on December 02-04, 2019 and December 02, 2020, the forum directed Executive Engineer, CWPP&H (Roads), Ziarat to produce revised technical sanction for verification whereas, Executive Engineers, CWPP&H (Roads), Quetta and Awaran did not attend the DAC meeting therefore, no decision could be taken. For remaining Paras, the respective divisions were directed to produce relevant record to audit for verification.

No further progress was intimated till finalization of this report.

Audit recommends that responsibility be fixed against the officials at fault, besides affecting recovery from the contractors.

5.2.3 Allowing higher rate against different items of work - Rs. 11.703 million

According to Para 16 and 220 of CPWA Code, “The Divisional and Sub Divisional officers have to satisfy themselves before signing the bill that the quantities and rates recorded in the MB are correct and calculations have been checked arithmetically.”

The following offices of CWPP&H (Roads) department awarded various civil works and incurred expenditure during the financial years 2017-19. An amount of Rs. 11.703 million was overpaid to the contractors due to allowing higher rates than approved/admissible rates of the PC I, as detailed in Annexure 5.3.

(Rs. in million)

S. No.	Name of office	AIR Para No. / year	Amount
1	Executive Engineer, CWPP&H (Roads), Lasbela	08/2017-18	1.967
2	Executive Engineer, CWPP&H (Roads), Sibi	05/2018-19	0.575
3	Executive Engineer, CWPP&H (Roads), Awaran	07/2018-19	0.522

S. No.	Name of office	AIR Para No. / year	Amount
4	Executive Engineer, CWPP&H (Roads), Killa Abdullah	01/2018-19	0.924
5	Executive Engineer, CWPP&H (Roads), Kech	02/2018-19	1.764
6	Executive Engineer, CWPP&H (Roads), Kech	03/2018-19	0.367
7	Executive Engineer, CWPP&H (Roads), Kech	04/2018-19	0.244
8	Executive Engineer, CWPP&H (Roads), Loralai	02/2018-19	0.095
9	Executive Engineer, CWPP&H (Roads), Loralai	03 / 2018-19	0.134
10	Executive Engineer, CWPP&H (Roads), Musakhel	01 / 2018-19	2.747
11	Executive Engineer, CWPP&H (Roads), Kharan	03 / 2018-19	0.103
12	Executive Engineer, CWPP&H (Roads), Zhob	04 / 2018-19	2.261
Total			11.703

Allowing of higher rates than admissible resulted in overpayments and transpired lack of internal controls within the organization.

The matter was reported to the department during November to December, 2019 and January, July and August, 2020 but no reply was received.

In the DAC meeting held on December 02-04, 2019 and December 02, 2020, the forum directed affecting full recovery against Audit Paras of districts Lasbela, Sibi, Killa Abdullah, Kharan, Kech and Loralai whereas, for remaining Paras of Kech, Loralai, Musakhel and Zhob, respective divisions were directed to produce relevant record to audit for verification. Executive Engineer Awaran did not attend the DAC meeting therefore; no decision could be taken on their Paras.

No progress was intimated till finalization of this report.

Audit recommends that the amount in question be got recovered besides fixation of the responsibility on persons at fault.

5.2.4 Overpayment due to allowing excess laying of base/sub base items - Rs. 3.857 million

According to detailed analysis of CSR, 1998, compacted depth of graded aggregate base course/hand broken stone and natural pitrun gravel shall be considered for payment. The compacted depth shall be equal to 0.67% of the loose thickness. Further, according to Book of Specification, “Maximum permissible limit of murum to be spread over stone metal laid in base course is 25% of road metal quantity.”

The following offices of CWPP&H (Roads) department allowed payment for base/sub base items during the financial year 2018-19 without converting loose quantities into compacted by applying factor of 0.67% for stone blast. Furthermore, excess quantity than admissible limit of 0.25% murum was spread over compacted stone blast. Resultantly, an overpayment of Rs. 3.857 million was made, as detailed in Annexure 5.4.

(Rs. in million)

S. No.	Name of office	AIR Para No./year	Amount
1	Executive Engineer, CWPP&H (Roads), Lasbela	01/2018-19	2.443
2	Executive Engineer, CWPP&H (Roads), Lasbela	08/2018-19	0.084
3	Executive Engineer, CWPP&H (Roads), Kech	05/2018-19	0.236
4	Executive Engineer, CWPP&H (Roads), Mastung	02/2018-19	0.864
5	Executive Engineer, CWPP&H (Roads), Mastung	06/2018-19	0.230
Total			3.857

Non-conversion of loose quantity into compacted for the purpose of payment resulted in overpayment to the contractors.

The matter was reported to the department during December, 2019 and January and August, 2020 but no reply was received.

In the DAC meeting held on December 02, 2020, there was a consensus in the meeting that observation of the audit is correct as compacted quantity of sub base or base course should be not more than 0.67% of supplied quantity.

DAC directed to affect recovery from the contractor and provide a proof thereof to audit for verification.

No progress was intimated till finalization of this report.

Audit recommends that responsibility may be fixed against the officials at fault, besides affecting recovery.

5.2.5 Overpayment due to allowing incorrect/higher rate of premium - Rs. 1.435 million

The GoB, Planning and Development Department vide Notification No. P&D.PROCT(1)/129/2013/624 dated 16.09.2013 has fixed district-wise premium against different nature of civil works. Further, as per CPWA Code 16 and 220, "The Divisional and Sub Divisional Officers have to satisfy themselves before signing the bill that the quantities recorded in the MB and rates are correct and calculations have been checked arithmetically."

In the following offices of CWPP&H (Roads) department, an overpayment of Rs. 1.435 million was made to different contractors due to allowing incorrect rates and wrong calculations of premium than those approved and notified by the P&D department during the financial year 2018-19. Details are in Annexure 5.5.

(Rs. in million)

S. No.	Name of office	AIR Para No./ year	Amount
1	Executive Engineer, CWPP&H (Roads), Sibi	06. 2018-19	0.829
2	Executive Engineer, CWPP&H (Roads), Lasbela	06. 2018-19	0.072
3	Executive Engineer, CWPP&H (Roads), Loralai	04. 2018-19	0.161
4	Executive Engineer, CWPP&H (Roads), Kharan	04. 2018-19	0.373
Total			1.435

Excess payment of premium resulted in undue financial benefit to the contractors.

The matter was reported to the department during November to December, 2019 and July to August, 2020 but no reply was received.

In the DAC meeting held on December 02, 2020, the forum directed affecting full recovery against Audit Paras of districts Sibi and Lasbela, whereas, for Audit Paras of districts Loralai and Kharan, the respective Executive Engineers were directed to produce relevant record to audit for verification.

No further progress was intimated till finalization of this report.

Audit recommends that recovery may be affected from the concerned contractors, besides fixing the responsibility against the officials at fault.

5.2.6 Inadmissible escalation charges - Rs. 2.415 million

As per P&D Department Notification No. P&D.ROCT(I)129/ 2008 /2383 dated June 14, 2008, “The escalation would be payable on the 2nd, 3rd, 4th and 5th year of completion @ 5%, 10%, 15% and 20% of bill to be paid for road and road structures and 7%, 14%, 21% and 28% for works other than road and road structure respectively.”

Executive Engineer, CWPP&H (Roads), Mastung awarded the work “Construction/Blacktopping of Road from Killi Nawab Raisani Basham, Shadini, Killi Khair Bakhsh, Noza to Chashma Dulai (Length 80 Km), District Mastung” to a government contractor. A payment of Rs. 2.415 million was made to the contractor during the financial year 2018-19 on account of escalation charges @ 5% on gross work done of 3rd and 4th running bills paid during the month of June, 2015. In this connection, it is pointed out that the work was awarded on April 14, 2013 and was to be completed by June 30, 2015. It was clearly mentioned in the 4th line of 4th Paragraph of work order that no escalation of rates/remedies against price hike for POL, materials/items etc. on account of any variation caused due to fluctuation in the market than approved rates or natural affects will be entertained by the department. Thus, any escalation on payments before June 30, 2015 was inadmissible. Hence, due to allowing unauthorized escalation, an overpayment of Rs. 2.415 million was made to the contractor, as detailed below:

(Rs. in million)

S. No.	Date of payment	Running bill	Gross amount	Escalation due	Escalation paid	Overpayment
1	10.06.2015	3 rd	8.315	0	0.416	0.416
2	16.06.2015	4 th	39.992	0	1.999	1.999
Total						2.415

Undue financial benefit was extended to the contractors at the risk of public interest.

The matter was reported to the department in August, 2020 but no reply was received.

In the DAC meeting held on December 02, 2020, the DAC decided that the payment of escalation should have been paid in accordance with the provisions of agreement and P&D Notification. Hence, DAC directed that the overpaid amount should be recovered from the contractors.

No further progress was intimated till finalization of this report.

Audit recommends that the recovery may be affected from the contractors.

5.2.7 Irregular execution of works without technical sanctions and preparation of completion reports - Rs. 1,308.973 million

As per B&R Code 2.82, "No work shall commence unless properly detailed design and estimates have been sanctioned by the competent authority, except real emergency works, which must also be immediately reported to the authorities competent to accord technical sanction." Further, as per Para 2.115 B&R Code (2) (a), "Detailed completion report in Building and Roads Account from 44, 47 is to be submitted on completion of works, on which the outlay has been recorded by the Sub-heads. It should give a comparison and explanation of differences between this quantities rates, and cost of various items of work executed and those in the estimate, and should also mention the names of the Engineers and overseers, who supervisor the work from time to time during the periods of its execution."

In the following offices of CWPP&H (Roads) department, in 2018-19, different development schemes amounting to Rs. 1,308.793 million were

executed without obtaining prior technical sanctions of the estimates from the competent authority. Further, neither completion reports were prepared nor handing and taking over reports/certificates were obtained from the respective departments, as detailed in Annexure 5.6.

Rs. in million)

S. No.	Name of office	AIR Para No./year	Amount
1	Executive Engineer, CWPP&H (Roads), Harnai	10/2018-19	1,017.411
2	Executive Engineer, CWPP&H (Roads), Loralai	06/2018-19	98.740
3	Executive Engineer, CWPP&H (Roads), Kharan	08/2018-19	192.822
Total			1,308.973

Execution of works without observance of codal formalities was irregular.

The matter was reported to the department during June to August, 2020, but no reply was received.

In DAC meeting held on December 02, 2020, DAC directed the department to produce original technical sanction estimates and completion certificates to audit for verification.

No record was provided till finalization of this report.

Audit recommends that the relevant records be produced to audit for scrutiny.

5.2.8 Loss due to non-utilization of excavated road metal - Rs. 4.683 million

As per Para 17.1(A) II (I) of Specifications Part II of CSR, 1998, "If cutting and filling is being done simultaneously, all excavated material shall be used in construction of road embankment and paid by allowing additional rate of Rs. 143 Per Cum under SI No. 30-73."

Executive Engineer, CWPP&H (Roads), Zhob awarded the work “Construction of B/T road from Makhrami to Sadozai and Garda Babar 24 Km, Link Road 27 Km Total 51 Km in Zhob” to M/s Allah Din, Government Contractor. Audit observed that during the financial year 2018-19, Executive Engineer made payment to the contractor for an item of work “Excavation in hard rock by blasting” and reusable road metal was stacked at site along roadside alignment. The material was to be used in base and sub base by breaking it into required size by making payment at the rate of Rs. 455.650 Per %Cft under SI No.30-73. Contrary to the Rule at reference, the road metal was brought from outside instead of utilizing the road metal in construction of base course available due to cutting/blasting. Thus, due to non-utilization of available stone (Hard rock), an overpayment of Rs. 4.683 million was made to the contractor, as detailed in Annexure 5.7.

Making payment for road metal instead of utilizing available stone metal resulted in loss to the government.

The matter was reported to the department in August, 2020 but no reply was received.

In DAC meeting held on December 02, 2020, the department informed that the material obtained from blasting work was not suitable as it consisted of hard shale and black cotton. The DAC directed to produce original record i.e. RD wise technical data, cut-fill statement and lab reports for verification otherwise recovery should be affected.

No further progress was intimated to audit till finalization of this report.

Audit recommends that all the relevant record be produced to audit to justify the claim of the department otherwise the overpaid amount be recovered from the contractor.

5.2.9 Non-realization of stamp duty - Rs. 4.338 million

As per Section 22A of Schedule I to Stamp Act, 1899, as amended vide Balochistan Finance Act, 1994, “0.25% of the contract value was required to be realized from the contractor as stamp duty, while entering into contract for execution of any works or to procure stores and materials.”

Following offices of CWPP&H (Roads) department awarded contracts to different contractors but stamp duty amounting to Rs. 4.338 million in the shape of non-judicial stamp papers of the contract value was not realized during the financial year 2018-19, which resulted in a revenue loss to the government, as detailed in Annexure 5.8.

(Rs. in million)

S. No.	Name of office	AIR Para No./year	Amount
1	Executive Engineer, CWPP&H (Roads), Ziarat	10/2018-19	0.210
2	Executive Engineer, CWPP&H (Roads), Jhal Magsi	05/2018-19	2.446
3	Executive Engineer, CWPP&H (Roads), Naseerabad	05/2018-19	0.103
4	Executive Engineer, CWPP&H (Roads), Harnai	08/2018-19	1.158
5	Executive Engineer, CWPP&H (Roads), Mastung	05/2018-19	0.421
Total			4.338

Since contracts were not inked the way it was required by the law, the same resulted in non-realization of stamp duty and revenue loss to the government.

The matter was reported to the department during October, 2019 and January, March, June and August, 2020 but no reply was received.

In the DAC meeting held on December 02, 2020, the Committee directed to recover stamp duty and record be produced to audit for verification.

No progress was reported till finalization of this report.

Audit recommends that recovery may be affected from the contractors. Besides, the department needs to direct the Divisional Officers to deduct the stamp duties necessarily.

5.2.10 Non-deduction of BSTS - Rs. 80.373 million

According to Section 3 of BSTS Act, 2015, revised from time to time, “GoB levied Sales Tax @ 6% and 15% on provision of services rendered by engineering consultants, Contractors of buildings (Including water supply, gas supply and sanitary works, roads and bridges, electrical and mechanical works including air conditioning), (Including turn-key projects) and similar other works.”

The following offices of CWPP&H (Roads) department made payments to the contractors during the financial year 2018-19 without deduction of BST on services amounting to Rs. 80.373 million. Details are in Annexure 5.9.

(Rs. in million)

S. No.	Name of office	AIR Para No./year	BSTS
1	Executive Engineer, CWPP&H (Roads), Sherani	01/2018-19	3.550
2	Executive Engineer, CWPP&H (Roads), Sibi	01/2018-19	36.249
3	Executive Engineer, CWPP&H (Roads), Ziarat	11/2018-19	1.957
4	Executive Engineer, CWPP&H (Roads), Jhal Magsi	01/2018-19	6.622
5	Executive Engineer, CWPP&H (Roads), Kech	07/2018-19	5.759
6	Executive Engineer, CWPP&H (Roads), Harnai	01/2018-19	16.749
7	Executive Engineer, CWPP&H (Roads), Harnai	06/2018-19	2.450
8	Executive Engineer, CWPP&H (Roads), Chaghi	04 / 2018-19	7.037
Total			80.373

Non-deduction of BST on services resulted in a revenue loss to the government.

The matter was reported to the department in October, November, December, 2019 and January and June, 2020 but no reply was received.

In the DAC meeting held on December 02, 2020, it was decided that the CWPP&H department will move a summary to BRA for clarification of BSTS. Further, DAC directed that the amount of BSTS portion would be worked out and recovered from the contractors.

No progress was intimated till finalization of this report.

Audit recommends that recovery of the amount be affected from the concerned contractors.

5.2.11 Non-completion of roads in Awaran - Rs. 1,212.076 million

As per Para 10 of GFR, Vol-I, “Every public officer is expected to exercise the same vigilance in respect of expenditure incurred from public moneys as a person of ordinary prudence would exercise in respect of expenditure of his own money.”

Executive Engineer, CWPP&H (Roads), District Awaran awarded various road works to different contractors during the financial years 2003-04 to 2017-18 valuing Rs. 1,861.827 million and incurred an expenditure of Rs. 1,212.076 million up to the financial year 2018-19. The works remained incomplete even after lapse of many years and the expenditure proved wastage of public funds without delivering any public utility, as detailed in Annexure 5.10.

Wastage of public funds was a serious irregularity on the part of the management.

The matter was reported to the department in May, 2020 but no reply was received.

In the DAC meeting held on December 02, 2020, no decision could be taken on the Audit Para because the Executive Engineer CWPP&H (Roads), district Awaran did not attend the DAC meeting.

No further progress was intimated till finalization of this report.

Audit recommends an inquiry in the matter for the lapse and wastage of public resources, besides fixing the responsibility against the officials at fault.

(CWPP&H, Building)

**5.2.12 Overpayment due to allowing incorrect/higher rate of premium -
Rs. 234.020 million**

The GoB, Planning and Development Department vide Notification No. P&D.PROCT(1)/129/2013/624 dated September 16, 2013 has fixed district wise premium against different nature of civil works. Further, as per CPWA Code 16 and 220, “The Divisional and Sub Divisional Officers have to satisfy themselves before signing the bill that the quantities recorded in the MB and rates are correct and calculations have been checked arithmetically.”

In the following offices of CWPP&H (Buildings) department, an overpayment of Rs. 234.020 million was made to the different contractors during the financial year 2018-19 due to either wrong calculation of premium or allowing incorrect higher rates of premium than those approved and notified by the P&D department. Details are in Annexure 5.11.

(Rs. in million)

S. No.	Name of office	AIR Para No./year	Amount
1	Executive Engineer, CWPP&H (Buildings), Lasbela	01/2018-19	0.148
2	Executive Engineer, CWPP&H (Buildings), Awaran	02/2018-19	1.260
3	Executive Engineer, CWPP&H (Buildings), Kech	02/2018-19	0.790
4	Executive Engineer, CWPP&H (Buildings), Loralai	01/2018-19	0.055
5	Executive Engineer, Maintenance Division II, CWPP&H (Building), Quetta	03/2018-19	0.265
6	Executive Engineer, Maintenance Division III, CWPP&H (Building), Quetta	07/2018-19	0.266
7	Executive Engineer, Maintenance Division III, CWPP&H (Building), Quetta	10/2018-19	230.370
8	Executive Engineer, CWPP&H (Buildings), Ziarat	01/2018-19	0.866
Total			234.020

Excess payment of premium resulted in undue financial benefits to the contractors.

The matter was reported to the department during October, December, 2019 and May, July and October, 2020 but no reply was received.

The PAO was requested to convene a DAC meeting in October, 2020 followed by reminder in November, 2020 but no meeting was held till finalization of this report.

No further progress was intimated till finalization of this report.

Audit recommends that recovery may be affected from the concerned contractors, besides fixing the responsibility against the officials at fault.

5.2.13 Overpayment due to allowing excess quantities - Rs. 56.172 million

As per B&R Code 2.86 and CPWD Code 56, “The authority granted by a sanction to an estimate must remain strictly limited to the precise objects for which the estimate was intended. If subsequent to the grant of technical sanction, material structural alterations are contemplated, the orders of the original sanctioning authority should be obtained even though no additional expenditure is involved by the alterations.”

In the following divisions of CWPP&H (Buildings) department, contractors were paid for different items of work by allowing excess quantities than provided in approved PC Is/technically sanctioned estimates during the financial years 2017-19. This resulted in overpayment of Rs. 56.172 million to the contractors, as detailed in Annexure 5.12.

(Rs. in million)

S. No.	Name of office	AIR Para No./year	Amount
1	Executive Engineer, Maintenance Division I, CWPP&H (Buildings), Quetta	06/2017-18	27.850
2	Executive Engineer, Maintenance Division II, CWPP&H (Buildings), Quetta	03/2018-19	18.399
3	Executive Engineer, Maintenance Division II, CWPP&H (Buildings), Quetta	07/2018-19	7.185
4	Executive Engineer, CWPP&H (Buildings), Jaffarabad	01/2018-19	0.863
5	Executive Engineer, CWPP&H (Buildings), Washuk	05/2018-19	1.316
6	Executive Engineer, CWPP&H (Buildings), Musakhel	03/2018-19	0.559
Total			56.172

Normally estimates are not prepared on the basis of feasibility study and sound data due to which frequent revisions and changes in the scope of work are witnessed. It results in overpayments and irregular enhancement of the contracts.

The matter was reported to the department during October, 2018, December, 2019 and April to July, 2020 but no reply was received.

The PAO was requested to convene a DAC meeting in October, 2020 followed by reminders and but no meeting was held till finalization of this report.

No further progress was intimated till finalization of this report.

Audit recommends that responsibility may be fixed against the officials at fault, besides affecting recovery from the contractors.

5.2.14 Allowing higher rate against different items of work - Rs. 4.830 million

According to Para 16 and 220 of CPWA Code, "The Divisional and Sub Divisional officers have to satisfy themselves before signing the bill that the

quantities and rates recorded in the MB are correct and calculations have been checked arithmetically.”

The following offices of CWPP&H (Buildings) department awarded various civil works and incurred expenditure during the financial year 2018-19. An amount of Rs. 4.830 million was overpaid to the contractors due to allowing higher inadmissible/incorrect CSR, 1998 rates, as detailed in Annexure 5.13.

(Rs. in million)

S. No.	Name of office	AIR Para No./year	Amount
1	Executive Engineer, Maintenance Division II, CWPP&H (Buildings), Quetta	04/2018-19	0.413
2	Executive Engineer, CWPP&H (Buildings), Kech	01/2018-19	1.049
3	Executive Engineer, CWPP&H (Buildings), Kharan	03/2018-19	0.269
4	Executive Engineer, CWPP&H (Buildings), Musakhel	05/2018-19	0.131
5	Executive Engineer, CWPP&H (Buildings), Musakhel	06/2018-19	0.737
6	Executive Engineer, CWPP&H (Buildings), Dera Bugti	03/2018-19	0.119
7	Executive Engineer, Maintenance Division III, CWPP&H (Buildings), Quetta	02/2018-19	0.590
8	Executive Engineer, CWPP&H (Buildings), Ziarat	04/2018-19	1.522
Total			4.830

Allowing of higher rates than admissible resulted in overpayments and transpired lack of internal controls within the organization.

The matter was reported to the department during October, 2019 and July, September and October, 2020 but no reply was received.

The PAO was requested to convene a DAC meeting in October, 2020 followed by reminder in November, 2020 but no meeting was held till finalization of this report.

No progress was intimated till finalization of this report.

Audit recommends that the amount in question be got recovered besides fixation of the responsibility on persons at fault.

5.2.15 Overpayment due to wrong calculation - Rs. 3.427 million

As per Para 220 and 221 of CPWA Code 220, “The Sub Divisional Officer before signing the bill should compare the quantities and rates in the bill with those recorded in MB and check arithmetically.”

In the following offices of CWPP&H (Buildings) department, the contractors were overpaid Rs. 3.427 million due to wrong calculations of quantities/rates, as detailed below:

(Rs. in million)			
S. No.	Name of office	AIR Para No./year	Amount
1	Executive Engineer, CWPP&H (Buildings), Lasbela	02/2018-19	0.197
2	Executive Engineer, CWPP&H (Buildings), Lasbela	06/2018-19	0.124
3	Executive Engineer, CWPP&H (Buildings), Awaran	04/2018-19	2.560
4	Executive Engineer, CWPP&H (Buildings), Zhob	01/2018-19	0.546
Total			3.427

Further details are in Annexure 5.14.

Wrong calculations resulted in overpayments and undue financial benefits to the contractors.

The matter was reported to the department during December, 2019 and May and July, 2020 but no reply was received.

The PAO was requested to convene a DAC meeting in October, 2020 followed by reminder in November, 2020 but no meeting was held till finalization of this report.

Audit recommends that the matter may be probed into at an appropriate level for fixation of responsibility and recovery of the amount in question be affected from the contractors.

5.2.16 Overpayment due to allowing inadmissible items of work - Rs. 2.083 million

As per CPWA Code 16 and 220, “The Divisional and Sub Divisional Officers have to satisfy themselves before signing the bill that the quantities recorded in the MB and rates are correct and calculations have been checked arithmetically.”

In the following offices of CWPP&H (Buildings) department, the Executive Engineers allowed payments against different items of work, which were not admissible due to non-provision in PC I and technically approved estimates. This resulted in an overpayment of Rs. 2.083 million, as detailed in Annexure 5.15.

(Rs. in million)

S. No.	Name of office	AIR Para No./year	Amount
1	Executive Engineer, CWPP&H (Building), Naseerabad	03/2018-19	0.183
2	Executive Engineer, Maintenance Division II, CWPP&H (Buildings), Quetta	06/2018-19	0.260
3	Executive Engineer, CWPP&H (Buildings), Lasbela	04/2018-19	1.400
4	Executive Engineer, CWPP&H (Buildings), Musakhel	04/2018-19	0.131
5	Executive Engineer, CWPP&H (Buildings), Musakhel	07/ 2018-19	0.109
Total			2.083

Undue financial benefit was extended to the contractors.

The matter was reported to the department in December, 2019 and July, 2020 but no reply was received.

The PAO was requested to convene a DAC meeting in October, 2020 followed by reminder in November, 2020 but no meeting was held till finalization of this report.

No further progress was intimated till finalization of this report.

Audit recommends that responsibility may be fixed against the officials at fault, besides affecting recovery from the concerned contractors.

5.2.17 Overpayment due to allowing inadmissible premium - Rs. 1.402 million

According to P&D Department Notification No. P&D-RO/C&T (32) 1/2018-19/7299 dated July 14, 2018, the government has not allowed premium on CSR, 2018.

In the following offices of CWPP&H (Buildings) department, an overpayment of Rs. 1.402 million was made to the different contractors during the financial year 2018-19 due to allowing inadmissible premium on CSR, 2018. The same was inadmissible as the P&D Department did not notify it, as detailed in Annexure 5.16.

(Rs. in million)

S. No.	Name of office	AIR Para No./year	Amount
1	Executive Engineer, CWPP&H (Buildings), Sohbatpur	01/2018-19	0.096
2	Executive Engineer, CWPP&H (Buildings), Washuk	02/2018-19	0.703
3	Executive Engineer, CWPP&H (Buildings), Kech	03/2018-19	0.198
4	Executive Engineer, CWPP&H (Buildings), Chaghi	01/2018-19	0.405
Total			1.402

Undue financial benefit was extended to the contractors.

The matter was reported to the department in December, 2019 and April, June and July, 2020 but no reply was received.

The PAO was requested to convene a DAC meeting in October, 2020 followed by reminder in November, 2020 but no meeting was held till finalization of this report.

No further progress was intimated till finalization of this report.

Audit recommends that responsibility may be fixed against the officials at fault, besides affecting recovery from the concerned contractors.

5.2.18 Non-deduction of government taxes - Rs. 91.497 million

According to Section 3 of BSTS Act, 2015, revised from time to time, “GoB levied Sales Tax @ 6% and 15% on provision of services rendered by engineering consultants, Contractors of buildings (Including water supply, gas supply and sanitary works, roads and bridges, electrical and mechanical works including air conditioning), (Including turn-key projects) and similar other works.” Further, as per Section 22A of Schedule I to Stamp Act, 1899, as amended vide Balochistan Finance Act, 1994, “0.25% of the contract value was required to be realized from the contractor as stamp duty, while entering into contract for execution of any works or to procure stores and materials.” Moreover, according to Section 153 of Income Tax Ordinance, 2001 amended from time to time, “Every Drawing and Disbursing Officer is responsible to make the deduction of income tax at prescribed rate, while making payment to the contractors for execution of contract.” Further, as per Finance Act, 2013, “The amendments have been made in the income tax ordinance 2001, the rate of tax deduction on execution of contractor have been increased from 6.5% to 7.5% from July 1, 2014 till further orders.”

In various offices of CWPP&H (Buildings) department, payments were made to the contractors and consultants during the financial year 2018-19 but government taxes on accounts of BSTS, Income Tax and Stamp Duty amounting to Rs. 91.497 million were not realized in violation of rules as detailed in Annexure 5.17.

Non-deduction of government taxes resulted in revenue losses to the government.

The matter was reported to the department in November and December, 2019 and January, February, June, July, August and October, 2020 but no reply was received.

The PAO was requested to convene a DAC meeting in October, 2020 followed by reminder in November, 2020 but no meeting was held till finalization of this report.

Audit recommends that recovery of the amount be affected from the concerned contractors.

5.2.19 Irregular execution of works without technical sanctions and preparation of completion reports - Rs. 455.837 million

As per B&R Code 2.82, “No work shall commence unless properly detailed design and estimates have been sanctioned by the competent authority, except real emergency works, which must also be immediately reported to the authorities competent to accord technical sanction.” Further, as per Para 2.115 B&R Code (2) (a), “Detailed completion report in Building and Roads Account from 44, 47 is to be submitted on completion of works, on which the outlay has been recorded by the Sub-heads. It should give a comparison and explanation of differences between this quantities rates, and cost of various items of work executed and those in the estimate, and should also mention the names of the Engineers and overseers, who supervisor the work from time to time during the periods of its execution.”

In the following offices of CWPP&H (Buildings) department, in 2018-19, different development schemes amounting to Rs. 602.134 million were executed without obtaining prior technical sanctions of the estimates from the competent authority. Further, completion reports/PC IV, handing and taking over reports/certificates were not obtained from the respective departments, as detailed in Annexure 5.18. This issue has already been reported to the PAC through previous audit reports and the same has again been submitted due to its significance. The department in routine, executes the schemes and gets the TSS prepared after completion of works rather than at planning stage.

(Rs. in million)

S. No.	Name of office	AIR Para No./year	Amount
1	Executive Engineer, CWPP&H (Buildings), Quetta	08/2017-18	179.802
2	Executive Engineer, CWPP&H (Buildings), Gwadar	04/2017-18	87.702
3	Executive Engineer, CWPP&H (Buildings), Awaran	02/2018-19	81.664
4	Executive Engineer, CWPP&H (Buildings), Loralai	04/2018-19	106.669
Total			455.837

Execution of works without observance of codal formalities was irregular.

The matter was reported to the department during October and November, 2019 and May, 2020 but no reply was received.

The PAO was requested to convene a DAC meeting in October, 2020 followed by reminder in November, 2020 but no meeting was held till finalization of this report.

No further progress was intimated till finalization of this report.

Audit recommends that technical sanctions of the schemes may be produced to audit and such practice needs to be discouraged

Chapter 6

6.1 Education Department

6.1.1 Introduction

The Education Department is responsible to provide quality education from primary to graduation level and overall management of educational institutions from primary schools to degree colleges. Besides, it also administers technical and vocational institutions in Balochistan.

6.1.2 Comments on Budget and Accounts (Variance Analysis)

Development and non-development funds amounting to Rs. 13,563.349 million were allocated to the department during 2019-20. Against the said allocation, an expenditure of Rs. 12,547.957 million was incurred, as summarized below:

(Rs. in million)

Type of grant	2019-20 (Higher Education)			
	Final grant	Actual expenditure	Excess/ (Saving)	Percentage
Non-Development Grant No. BC21016	9,601.797	8,721.847	(-)879.949	9.16
Development Grant No. BC12216 Function No. 93120	240.364	240.363	(-).001	0.00
Development Grant No. BC12216 Function No. 93101	3,051.504	2,947.140	(-)104.364	3.42
Development Grant No. BC12216 Function No. 92101	669.684	638.606	(-)31.078	4.64
Total Development Grant	3,961.552	3,826.110	(-)135.442	3.42
Grand Total Non-Development and Development	13,563.349	12,547.957	(-)1,015.392	7.49

There is a significant saving of Rs. 1,015.392 million against non-development and development expenditure, which indicated improper budgeting and inefficient utilization of funds.

Secondary Education

Development and non-development funds amounting to Rs. 49,474.484 million were allocated to the department during 2019-20. Against the said allocation, an expenditure of Rs. 43,728.905 million was incurred, as summarized below:

Type of grant	(Rs. in million)			
	2019-20 (Secondary Education)			
	Final grant	Actual expenditure	Excess/ (Saving)	Percentage
Non-Development Grant No. BC21041	44,806.102	40,290.821	(-)4,515.281	10.08
Development Grant No. BC12241 Function No. 92101	2,153.500	1,995.522	(-)157.978	7.34
Development Grant No. BC 12241 Function No. 91102	2,514.882	1,442.562	(-)1,072.320	42.64
Total Development Grants	4,668.382	3,438.084	(-)1,230.298	26.35
Grand Total Non-Development and Development	49,474.484	43,728.905	(-)5,745.579	11.61

There is a significant saving of Rs. 5,745.579 million against non-development and development expenditure, which indicated improper budgeting and inefficient utilization of funds.

6.1.3 Audit profile of Education Department

(Rs. in million)

S. No.	Description	Total number	Audited	Expenditure audited financial year 2019-20	Revenue/receipts audited financial year 2019-20
1	Formations	1,620	161	19,826.850	1.400
2	Assignment Accounts	2	1	2,722.140	-
3	Special Drawing Accounts	-	-	-	-
4	Authorities/ Autonomous Bodies etc. under the PAO	-	-	-	-
5	Foreign Aided Project (FAP)	-	-	-	-

6.1.4 Classified Summary of Audit Observations

Audit observations amounting to Rs. 1,343.608 million were raised in this report during the current audit of Education Department. This amount also includes recoveries of Rs. 792.506 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rs. in million)

S. No.	Classification	Amount
1	Unauthorized payment	29.571
3	Irregular expenditure	787.283
4	Tax and duties	27.192
5	Non-production of record	499.562

6.1.5 Brief comments on the status of compliance with PAC directives

S. No.	Audit Report Year	Total Paras	Compliance received	Compliance not received	Percentage of compliance
1	1984-85	3	-	3	0
2	1988-89	60	-	60	0

S. No.	Audit Report Year	Total Paras	Compliance received	Compliance not received	Percentage of compliance
3	1989-90	11	-	11	0
4	1990-91	6	-	6	0
5	1991-92	17	-	17	0
6	1992-93	33	-	33	0
7	1993-94	29	-	29	0
8	1994-95	6	-	6	0
9	1995-96	19	-	19	0
10	1996-97	41	-	41	0
11	1997-98	22	13	9	59%
12	1998-99	13	7	6	54%
13	1999-2000	19	9	10	47%
14	2001-2002	14	-	14	0
15	2004-2005	15	-	15	0
16	2005-2006	9	-	9	0
17	2007-2008	2	-	2	0
18	2008-2009	6	-	6	0
19	2009-2010	8	-	8	0
20	2010-2011	8	-	8	0
21	2011-2012	10	-	10	0
22	2012-2013	24	-	24	0
23	2013-2014	23	-	23	0
24	2014-2015	16	-	16	0
25	2016-2017	9	-	9	0
26	2017-2018	19	19	0	100%
27	2018-2019	15	15	0	0
28	2019-2020	6	-	6	0
Total		463	63	400	10.20%

Most of the Audit Reports have not yet been discussed by PAC.

6.2 AUDIT PARAS (Higher Education)

6.2.1 Unauthorized payment of electricity charges of residential colony - Rs. 8.807 million

According to Para 23 of GFR Vol-I, “Every government officer will be held personally responsible for any loss sustained by the government due to negligence on his part. The controlling officer must take immediate action for enforcement of such responsibility.”

The Principal, Balochistan Residential College, Turbat paid an amount of Rs. 8.807 million on account of electricity charges of residential colony of teaching and non-teaching staff of the College. Details are at Annexure 6.1.

Above drawal was held unauthorized as payment of residential utility charges from the public funds was not admissible. It is the responsibility of residing persons to pay utility charges.

The matter was reported to the department during July, 2019. Department accepted the irregularity.

In the DAC meeting held on October 07, 2020, the DAC directed the department to install separate individual meters for every quarter/home and affect recovery from the concerned occupants.

No further progress was intimated till finalization of this report.

Audit recommends that an early action as per directives of the DAC may be initiated and recovery be affected.

(Secondary Education)

6.2.2 Non-production of record - Rs. 499.562 million

According to Article 170 (2) of the Constitution of Islamic Republic of Pakistan, 1973 read with Para 14-1 of the Auditor General’s Ordinance, 2001 the audit of the accounts of Federal and of the Provincial Governments and accounts of any authority or body established by, under the control of, the Federal or Provincial Government shall be conducted by the Auditor-General,

who shall determine the extent and nature of such audit and Shall, have authority to require that any account, books, papers and other documents which deal with, or form, the basis of or otherwise relevant to the transactions to which his duties in respect of audit extend, shall be sent to such place as he may direct for his inspection. The officer in charge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with all reasonable expedition, further, any person or authority hindering the auditorial functions of the Auditor General regarding inspection of accounts shall be subject to disciplinary action under relevant Efficiency and Discipline Rules, applicable to such person.”

The following offices of Secondary Education Department incurred an expenditure of Rs. 499.562 million during the financial years 2014-15 to 2018-19 but did not provide record to audit for inspection as required under Rules, as detailed below:

(Rs. in million)

S. No.	Name of office	AIR Para No./year	Amount
1	Director Education (Schools), Balochistan, Quetta	09/2017-18	307.922
2	Deputy District Officer (Male) Education, Mashkail, District Washuk	03/2014-15 to 2016-17	22.060
3	Deputy District Officer (Male), Education, Basima at District Washuk	05/2014-15 to 2016-17	71.336
4	Deputy District Officer (Female) Education, Khuzdar	01/2015-16 to 2016-17	98.244
Total			499.562

Non-production of record was misconduct on the part of offices mentioned above as the related expenditure remained unaudited.

The matter was reported to the department in June, October, December 2019 and June 2020 respectively but no reply was received.

The PAO was requested to convene a DAC meeting on August 24, 2020 followed by reminders issued on October 21, 2020 and November 30, 2020 but no meeting was held till finalization of this report.

Audit recommends that responsibility be fixed on the persons at fault besides production of record for scrutiny.

6.2.3 Irregular retention of public money - Rs. 787.283 million

As per Treasury Rules 290, “No money shall be drawn from Treasury unless it is required for immediate disbursement. It is not permissible to draw money from the account in anticipation of demand or to prevent the lapse of budget grant.”

In the following offices of Secondary Education Department, it revealed that the public money was lying in the unauthorized bank accounts without any justification, as detailed below and further summarized in Annexure 6.2.

(Rs. in million)

S. No.	Name of office	AIR Para No. / year	Amount
1	Director Education (Schools), Balochistan, Quetta	01/2017-18	10.826
2	Secretary, Secondary Education Department, Government of Balochistan, Quetta	01/2017-18	748.132
3	Director Education (Schools), Balochistan, Quetta	04/2018-19	28.325
Total			787.283

Irregular retention of government money depicted poor financial management.

The matter was reported to the department in June, July and November 2019 and June, 2020 but no reply was received.

The PAO was requested to convene a DAC meeting on August 24, 2020 followed by reminders issued on October 21, 2020 and November 30, 2020 but no meeting was held till finalization of this report.

Audit recommends that public money illegally retained be deposited in the government treasury forthwith and such practice needs to be discontinued.

6.2.4 Non-deduction of government taxes - Rs. 27.192 million

According to Section 3 of BSTS Act, 2015, “The GoB levied Sales Tax @ 15% on provision of services rendered by engineering consultants, Contractors of buildings (Including water supply, gas supply and sanitary works, roads and bridges, electrical and mechanical works including air conditioning) (Including turn-key projects) and similar other works”. Further, according to General Sales Tax (GST) Act, 1990 amended vide Finance Act, 2014-15, GST was enhanced from 16% to 17%, levied on gross amount from the bills of the contractors/suppliers.” Moreover, according to Article 4 (22 A) Schedule I to Stamp Act, 1899, as amended vide Balochistan Act, 1994, “Stamp duty @ 0.25% should be recovered/obtained in the shape of stamp duty on non-judicial stamp papers from contractors on the total cost of the contract at the time of award of the work.” Furthermore, as per Section 153 of Income Tax Ordinance, 2001 amended from time to time, “Every DDO is responsible to make the deduction of income tax at prescribed rate, while making payment to the contractors for execution of contract.”

In the various offices of Secondary Education Department, Balochistan, payments were made to the contractors/suppliers for various works during the financial years 2017-18 and 2018-19. The DDOs were required to deduct governmental taxes i.e. BSTS @ 15% on the services/contracts on each payment, GST on supply items and stamp duty in the shape of non-judicial stamp papers of the contract value. Besides, income tax was deducted @ 4.5% instead of @ 7.5% on civil works resulting in less realization of income tax. This resulted in non-realization of governmental taxes amounting to Rs. 27.192 million, as detailed below and further summarized in Annexure 6.3.

(Rs. in million)

S. No.	Name of office	AIR Para No./year	Amount
1	Director Education (Schools), Balochistan, Quetta	03/2017-18	0.446
2	Chairman, Balochistan Text Book Board, Quetta	01/2017-18	7.520
3		05/2017-18	3.174
4		06/2017-18	0.522
5		08/2017-18	1.947
6	Director Education (Schools), Balochistan, Quetta	03/2018-19	11.023
7	Director Education (Schools), Balochistan, Quetta	06/2018-19	1.682
8		14/2018-19	0.878
Grant total			27.192

Non-realization of governmental taxes caused a revenue loss to the Government.

The matter was reported to the department during June, October, 2019 and June, 2020 but no reply was received.

The PAO was requested to convene a DAC meeting in August, 2020 followed by reminders issued in October and November, 2020 but no meeting was held till finalization of this report.

Audit recommends that recovery of the governmental taxes be affected from the concerned contractors.

6.2.5 Unauthorized drawal of dual salary - Rs. 19.553 million

According to FR 12 (b), “A Government servant cannot be appointed substantively except as a temporary measure, to two or more permanent posts at the same time.”

The PD, Balochistan Education Project-Global Partnership for Education (BEP-GPE), some employees of the project were drawing dual salaries from the project and as well as the government. Details of the said employees are given below:

(Rs. in million)

S. No.	Name of employee	Designation in project	Cost Centre Government sector	From	To	Amount
1	Mr. Adnan Kakar	Senior Admin officer	SST (G) at DEO (Male), Ziarat	04.12.2015	31.01.2018	4.248
2	Mr. Abdul Basit	School Development Engineer	Draftsman at Superintending Engineers	26.08.2016	31.10.2018	3.360
3	Mr. Abdul Jalil	School Development Officer	Assistant Director at Chief Engineer	26.08.2016	30.11.2018	3.951
4	Mr. Fazal ur Rehman	Officer	SST (G) at DEO (Male), Pishin	26.08.2016	31.10.2018	7.995
Total						19.554

The employee at Serial No. 1 in the above table had his pay stopped in the project on January 26, 2018. Before the stoppage, he withdrew an arrear claim of Rs. 274,054.

Dual salary payment showed weak internal control and caused a loss to the government/project.

The matter was reported to the department in October, 2020 but no reply was received.

In the DAC meeting held on November 02, 2020, it was agreed to recover the pay and allowances drawn in double immediately and deposit in the government treasury. Besides, the Extraordinary Leave/Departmental Permission/NOC (As per FR 69) be got verified from the concerned departments.

No further progress was reported till the finalization of this report.

Audit recommends immediate recovery from the concerned.

6.2.6 Unauthorized withdrawal of salary and recovery thereof - Rs. 1.211 million

According to the modified PC I of Balochistan Education Project (Annexure VI), staff list along with salaries (Page 57), salary of the Senior Officer in the first year of appointment will be Rs. 150,000 Per Month and salary of the Manager will be Rs. 260,000 Per Month. Further, according to GFR 10 (iv), Vol-I, "Public moneys should not be utilized for the benefit of a particular person or section of the community." Furthermore, according to the Project Operation Manual 4.9, "Positions shall be advertised, 3 CVs be shortlisted and compared and test interview be conducted."

The following staff of the Balochistan Education Project-Global Partnership for Education (BEP-GPE) were appointed without ensuring the guidelines of the World Bank regarding hiring. Further, they were drawing second and third stage salary in the first year of their appointments. Thus, an overpayment of Rs. 1.211 million was made to the officers, as detailed below:

(Rs. in million)

Name of officer	Designation	Pay payable	Pay paid Per Month	Difference Per Month	Total months up to 30.09.2019	Amount
Ms. Nazia Bano	Senior HR Officer	150,000	228,131 (3 rd stage)	78,131	08 months 23 days	0.683
Mr. Zulfiqar	Manager Education	260,000	350,000 (3 rd stage)	90,000	4 months	0.360
Mr. Mudassar Hussain	HR Officer	140,000	161,000 (2 nd stage)	21,000	8 months	0.168
Total						1.211

There was no such provision in the PC I regarding the grant of 2nd and 3rd stage salary on initial appointment in any position and was thus held unauthorized.

Overpayment was made to the officers in violation of PC I.

The matter was reported to the department in October 2020 to which the management replied that the PD has all administrative and financial powers. In the best interest of the Project and to attract and retain best human resource, project may offer negotiated salary based on length of service with project, considering inflation rate, candidate last drawn salary and to minimize salary discrepancy within same position level but remaining within higher and lower budgetary limits of a specific position. In case of salary negotiation, PD may negotiate up to 15 % of the salary benchmark.

In the DAC meeting held on November 02, 2020, it was directed to recover the overpaid amount. DAC was of the view that the PD can grant a maximum of 15% increase on salary by negotiating with employees but the enhanced pay allowed was not accepted.

No progress was intimated till finalization of this report.

Audit recommends recovery of the overpaid amount from the concerned.

Chapter 7

7.1 Excise and Taxation Department

7.1.1 Introduction

The main function of Excise and Taxation Department is to enhance Government's Revenue/Recoveries by shifting to new tax culture, minimizing discretionary powers, ensuring accuracy in tax collection, mobilizing existing resources, exploring new tax potentials and expanding tax base. Develop and adopt systems and procedures that provide maximum facilities to the taxpayers.

7.1.2 Comments on Budget and Accounts (Variance Analysis)

Non-development funds amounting to Rs. 938.632 million were allocated to the department during 2019-20. Against the said allocation, an expenditure of Rs. 846.170 million was incurred, as summarized below:

	Final grant	Actual expenditure	Excess/ (Saving)	Percentage
Non-Development Grant No. BC21002	938.632	846.170	(-)92.463	9.85

There was a saving of Rs. 92.463 million against Non-development expenditure, which indicated improper budgeting and inefficient utilization of funds.

7.1.3 Audit profile of Excise and Taxation Department, Balochistan (Rs. in million)

S. No.	Description	Total number	Audited	Expenditure audited financial year 2019-20	Revenue/ Receipts audited financial year 2019-20
1	Formations	39	13	484.734	1,252.500
2	Assignment Accounts	-	-	-	-
3	Special Drawing Accounts	-	-	-	-
4	Authorities/ Autonomous Bodies etc. under the PAO	-	-	-	-

S. No.	Description	Total number	Audited	Expenditure audited financial year 2019-20	Revenue/ Receipts audited financial year 2019-20
5	Foreign Aided Project (FAP)	-	-	-	-

7.1.4 Classified Summary of Audit Observations

Audit observation amounting to Rs. 122.195 million were raised in this report during the current audit of Excise and Taxation Department. This amount also includes recoveries of Rs. 4.195 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rs. in million)

S. No.	Classification	Amount
1	Recoveries	4.195
2	Irregular Expenditure	118

7.1.5 Brief comments on the status of compliance with PAC directives

S. No.	Audit Report Year	Total Paras	Compliance received	Compliance not received	Percentage of compliance
1	2018-2019	6	6	0	100
2	2019-2020	5	-	5	0
Total		11	6	11	55%

Most of the Audit Reports have not yet been discussed by PAC.

7.2 AUDIT PARAS

7.2.1 Wasteful expenditure on incomplete online tax collection system - Rs. 118 million

As per GFR 11, Vol-I, “Each head of department is responsible for enforcing financial order and strict economy at every step. He shall be responsible for observance of all relevant financial rules and regulations.”

DG, Excise, Taxation and Anti-Narcotics, Balochistan has incurred an expenditure of Rs. 118 million on development of Online Tax Collection System during 2015-16. However, the said system could not become functional despite lapse of a considerable period. The detail of expenditure is as under:

(Rs. in million)

Name of project	Time of start	Estimated cost	Expenditure
Online Tax Collection System Z2011-0571	2015-2016	118	118

Non-implementation of computerized collection system deprived the department from smooth functioning of computerized registration and billing system.

The matter was reported to the department in March, June, July and August, 2020 but no reply was received.

In the DAC meeting held on January 08, 2021, it was informed by the management that the matter was under probe with Chief Minister Inspection Team (CMIT), therefore, forum directed the department to share the Inquiry Report with audit.

No progress was intimated till finalization of this report.

Audit recommends that responsibility be fixed on the persons at fault.

7.2.2 Non-imposition of penalty on property owners - Rs. 2.903 million

As per Section 15 (1) 1 of the Urban Immovable Property Tax Act, 1958, "If any person on being served with such notice as may be prescribed fails to pay within the period specified in the notice any amount due from him on account of the tax, the prescribed authority may recover from him as penalty a sum not exceeding the amount of the tax so unpaid, in addition to the amount of the tax payable by him."

The Excise, Taxation and Anti-Narcotics Officer II, Quetta failed to impose penalty on defaulters of property tax amounting Rs. 2.903 million during the financial year 2018-19. Details are given below:

(Rs. in million)

S. No.	Name of owner	Property unit	Period	Unpaid tax	Penalty
1	Syed Muhammad Sharif	1-21/1A and 1B =1045	2003-2018	0.210	0.210
2	Ms. Bakhtawar Bibi	10-9/2 L = 56 B	2004-2018	1.136	1.136
3	Syed Hazrat Shah	3-1/100, 100 A = 115, 115 A	2003-2018	0.244	0.244
4	Ms. Zakia Bibi	4-23/27 = 933, 953 A	2012-2018	0.211	0.211
5	Haji Abdul Hameed	2-24/13, 13 3 = 737-737 3	2001-2018	1.102	1.102
Total:					2.903

Non-imposing penalty on defaulters of property tax was a violation of government instruction.

The matter was reported to the department in March, June, July and August, 2020 but no reply was received.

In the DAC meeting held on January 08, 2021, the department informed that an amount of Rs. 0.417 million has been recovered. Therefore, the forum expressed its displeasure and directed the department to produce the progress of recovery to next audit.

Audit recommends that necessary recovery be affected from the concerned.

7.2.3 Non-realization of property tax - Rs. 1.292 million

Section 11 of the Urban Immovable Property Tax Act, 1958 states, "The tax shall be levied in accordance with the valuation list in force for the time being, and shall be collected and be recoverable notwithstanding any appeal which may be pending with respect to that list." Property tax in Balochistan is levied and collected on the basis of Annual Rental Values (ARV) of Properties

as: (a) Properties having Annual Rental Value (ARV) below Rs. 12,000 @ 10 % (b) Properties having ARV Rs. 12,000 and above @ 15 %. ARV is determined after deduction of 10 % from Gross Annual Rental Value (GARV).

The Excise and Taxation Officer, Killa Abdullah failed to recover property tax of Rs. 1.292 million in 25 cases during the financial year 2018-19, as detailed in Annexure 7.1.

Non-realization of property tax caused a loss to the Government.

The matter was reported to the department in March, June, July and August, 2020 but no reply was received.

In the DAC meeting held on January 08, 2021, the concerned ETO did not attend the meeting.

Audit recommends that necessary recovery be affected from the concerned.

Chapter 8

8.1 Finance Department

8.1.1 Introduction

This Department aims at the provision of sound financial base by enforcing financial discipline and cherishing an environment supportive for realization of prosperous and self-reliant Balochistan. This department is the custodian of provincial finances.

8.1.2 Comments on Budget and Accounts (Variance Analysis)

Non-Development funds amounting to Rs. 2,290.082 million were allocated to the Finance Department during the financial year 2019-20. Against the said allocation, an expenditure of Rs. 1,890.838 million was incurred, as summarized below:

(Rs. in million)

Type of grant	2019-20			
	Final Grant	Actual expenditure	Excess/ (Saving)	%
Non-Development Grant No. BC21056	2,290.082	1,890.838	(-)399.244	17.43

There was a saving of Rs. 399.244 million on non-development side, which indicated inefficiency of the management.

8.1.3 Audit profile of Finance Department, Balochistan

(Rs. in million)

S. No.	Description	Total number	Audited	Expenditure audited financial year 2018-19	Revenue/ Receipts audited financial year 2018-19
1	Formations	47	19	2,161.547	-
2	Assignment accounts	-	-	-	-
3	Special Drawing Accounts	-	-	-	-

S. No.	Description	Total number	Audited	Expenditure audited financial year 2018-19	Revenue/ Receipts audited financial year 2018-19
4	Authorities/ Autonomous Bodies etc. under the PAO	-	-	-	-
5	Foreign Aided Project (FAP)	-	-	-	-

8.1.4 Classified Summary of Audit Observations

Audit observation amounting to Rs. 26.980 million were raised in this report during the current audit of Finance Department. This amount also includes recoveries of Rs. 3.504 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rs. in million)		
S. No.	Classification	Amount
1	Tax and duties	3.504
2	Irregularities	23.474

8.2 AUDIT PARAS

8.2.1 Excess drawal of salary than approved - Rs. 14.513 million

According to the Offer of Appointment for the post of Chairperson of BRA issued to Mr. Misri Ladhani vide letter No. BRA/ A&F/2017/248-49 dated August 22, 2017, "The gross salary of the Chairperson was fixed @ Rs. 430,600 Per Month."

Record in BRA revealed that the salary of above-mentioned officer was paid at the rate of Rs. 430,600 Per Month for the period from September to November, 2017. Later on, the pay of the officer was drawn including arrears on higher rates without approval of the Appointing Authority. Further,

inadmissible allowances such as Medical Allowance, Senior Post Allowance and Orderly Allowance were also drawn. Whereas, no such allowances were mentioned in the MP Scales issued vide Finance Division letter No. F.3(2)-4/2011 dated July 14, 2017. This resulted in excess drawal/overpayment of Rs. 14.513 million, as detailed in Annexure 8.1.

The irregularity was committed due to non-observance of Financial Rule and weak internal control.

The matter was reported to the department in July, 2020 but no reply was received.

The PAO was requested to convene a DAC meeting in September, 2020 followed by three reminders but no meeting was held till finalization of this report.

No further progress was intimated till finalization of this report.

Audit recommends for initiating inquiry against the persons at fault besides, affecting recovery of excess drawal of salary from the concerned officer.

8.2.2 Illegal appointment of Financial Advisor and other staff

According to Section 4 and 5 of BRA Act, 2015, “The Authority shall consist of the Chairperson and not less than four members, including a Tax Operations Member, an Audit Member, an Information Technology Member, and a Human Resource Member. Authority may appoint, with or without remuneration, such advisers, officers and staff, consultants, experts, interns, liaison officers and other staff as may be prescribed and transfer, select or post any employee against any post on the basis of transparent criteria of selection in any entity administered by the Authority.” Further, as per policy/guidelines issued by the Establishment Division vide SI No. 58 of ESTA Code (Edition 2015), “Vacancies should be advertised in the press even it may be filled on adhoc basis. Suitable applicants/candidates should be selected by the authorized

Department Selection Committee. Prior approval of the competent authority should be obtained.”

The BRA had appointed following officers/advisor on contract basis without fulfillment of codal formalities such as advertisement in newspaper, formation of recruitment/selection committee and approval of the competent authority/GoB.

S. No.	Name	Post	Date of appointment
1	Mr. Loung Rathore	Financial Advisor	11.10.2017
2	Miss Gullali Khan	PS/Staff Officer	01.10.2018
3	Mr. Ammar Tariq Khanzada	Audit Officer	09.01.2019
4	Mr. Waqas Ahmed	Auditor	19.12.2018

Non-observance of Financial Rule and Government Instructions resulted in illegal appointments.

The matter was reported to the department in July, 2020 but no reply was received.

The PAO was requested to convene a DAC meeting in September, 2020 followed by three reminders but no meeting was held till finalization of this report.

No further progress was intimated till finalization of this report.

The matter is reported for investigation, besides action against the defaulters.

8.2.3 Illegal increase in pay and allowances of financial advisor and recovery thereof - Rs. 3.394 million

According to Offer of Appointment Letter dated October 1, 2017, “The lump sum gross monthly salary of Mr. Loung Rathore was fixed @ Rs. 160,000 Per Month.”

The BRA had appointed Mr. Loung Rathore as Financial Advisor in October, 2017 on lump sum salary of Rs. 160,000 Per Month. Later on, his salary was drawn/paid on higher rates from time to time, resulting in an overpayment of Rs. 3.394 million, as detailed below:

(Rs. in million)

S. No.	Period	Months	Monthly gross salary drawn	Increase in monthly gross salary	Amount overpaid	Percentage of increase in pay
1	October, 2017	1	0.160	-	-	-
	November, to December, 2017	2	0.200	0.040	0.080	25 %
2	January, 2018 to June, 2018	6	0.260	0.100	0.600	62 %
3	July, 2018 to February, 2019	8	0.300	0.140	1.120	87 %
4	March, 2019 to June 2019	4	0.559	0.399	1.595	249 %
Total					3.395	

The irregularity was committed due to non-observance of Financial Rule and weak internal control.

The matter was reported to the department in July, 2020 but no reply was received.

The PAO was requested to convene a DAC meeting in September, 2020 followed by three reminders but no meeting was held till finalization of this report.

No further progress was intimated till finalization of this report.

The matter is reported for recovery of overpaid amount from the defaulter.

8.2.4 Inadmissible payment of charge allowance - Rs. 5.567 million

According to GoB, FD Notification No. FD(R)VII-12/90/4037-62 dated July 28, 1990, "Charge allowance was sanctioned @ Rs. 600 (Per Month) for Principals of Degree Colleges and Rs. 350 (Per Month) for Principals of Inter Colleges/Polytechnic Institute." Further, GoB, FD Notification No. FD(R)III-6/91/2173-97 dated April 22, 1991, "Rs. 200 (Per month) was sanctioned for Inspectors of Police Department who are posted as SHO In charge of a Police Station."

Payroll record in following offices revealed that during the financial year 2018-19, employees had been paid charge allowance in contradiction of above Notification resulting in inadmissible payment of Rs. 5.567 million, as detailed in Annexure 8.2.

(Rs. in million)

S. No.	Name of office	Financial year	AIR Para	Amount
1	TO, Nushki	2017-19	02	1.126
2	TO, Jhal Magsi	2017-19	05	1.279
3	TO, Lasbela	2018-19	03	3.162
Total				5.567

Non-observance of Government orders resulted in unauthorized payment.

The matter was reported to the department in July, 2019 and September, 2020 but no reply was received.

The PAO was requested to convene a DAC meeting in September, 2020 followed by three reminders but no meeting was held till finalization of this report.

No further progress was intimated till finalization of this report.

Audit recommends that the recovery of inadmissible payment be recovered from the concerned officials and further stop the payment.

8.2.5 Non-deduction of governmental taxes - Rs. 3.504 million

According to Section 3 of BSTS Act, 2015, “The GoB levied Sales Tax @ 15% on provision of services rendered by engineering consultants, Contractors of buildings (Including water supply, gas supply and sanitary works), roads and bridges, electrical and mechanical works including air conditioning (Including turn-key projects) and similar other works.” Further, according to Article 4 (22 A) Schedule I to Stamp Act, 1899, as amended vide Balochistan Act, 1995, “Stamp duty @ 0.25% should be recovered/obtained in the shape of stamp duty on non-judicial stamp papers from contractors on the total cost of the contract at the time of award of the work.” Furthermore, as per Section 153 of Income Tax Ordinance, 2001 amended from time to time, “Every DDO is responsible to make the deduction of income tax at prescribed rate, while making payment to the contractors for execution of contract.”

Record in following offices revealed that the payments were made to the contractors for various works during the financial years 2017-19. The concerned offices were required to deduct governmental taxes i.e. BSTS @ 15% on the services/contracts on each payment and stamp duty in the shape of non-judicial stamp papers of the contract value. Besides, income tax was also not deducted at prescribed rates, resulting in less realization of income tax. This resulted in non-realization of governmental taxes amounting to Rs. 3.504 million, as detailed in Annexure 8.3.

(Rs. in million)

S. No.	Name of office	Financial year	AIR Para	Amount
BSTS				
1	TO, Harnai	2018-19	04	0.350
2	TO, Zhob	2018-19	05	2.584
3	TO, Pishin	2018-19	03	0.129
Sub total				3.063
Stamp duty				
4	MD, BPPRA	2017-18	04	0.133
5	MD, BPPRA	2018-19	06	0.172
Sub total				0.305
Income tax				

S. No.	Name of office	Financial year	AIR Para	Amount
6	TO, Pishin	2018-19	01	0.136
Grand total				3.504

Non-realization of governmental taxes caused revenue loss to the Government.

The matter was reported to the department in July, 2019 and September, 2020 but no reply was received.

The PAO was requested to convene a DAC meeting in September, 2020 followed by three reminders but no meeting was held till finalization of this report.

No further progress was intimated till finalization of this report.

Audit recommends that the recovery be affected from the concerned.

Chapter 9

9.1 Health Department

9.1.1 Introduction

The Health Department has been established mainly to provide health facilities by taking measures for prevention and control of infectious and contagious diseases and providing improved treatment facilities for the public health. For this purpose, the department maintains hospitals at district level, Rural Health Centers and Basic Health Units at Tehsils and villages.

9.1.2 Comments on Budget and Accounts (Variance Analysis)

Development and non-development funds amounting to Rs. 30,670.341 million were allocated to the department during 2019-20. Against the said allocation, an expenditure of Rs. 27,261.947 million was incurred, as summarized below:

(Rs. in million)

Type of grant	2019-20			
	Final grant	Actual expenditure	Excess/ (Saving)	Percentage
Non-Development Grant No. BC 21018	23,981.659	21,971.884	(-)2,009.776	8.38
Development Grant No. BC 12218 Function No. 074120	6,688.682	5,290.064	(-)1,398.618	20.91
Grand Total Non-Development and Development	30,670.341	27,261.947	(-)3,408.394	11.11

There was a significant saving of Rs. 3,408.394 million against development expenditure, which indicated improper budgeting and inefficient utilization of funds.

9.1.3 Audit profile of Health Department, Balochistan

(Rs. in million)

S. No.	Description	Total number	Audited	Expenditure audited financial year 2019-20	Revenue/ Receipts audited financial year 2019-20
1	Formations	198	86	34,750.211	1.989
2	Assignment Accounts	9	4	763.898	-
3	Special Drawing Accounts	-	-	-	-
4	Authorities/ Autonomous Bodies etc. under the PAO	-	-	-	-
5	Foreign Aided Project (FAP)	1	1	398.976	-

9.1.4 Classified Summary of Audit Observations

Audit observation amounting to Rs. 2,102.441 million were raised in this report during the current audit of Health Department. This amount also includes recoveries of Rs. 19.529 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rs. in million)

S. No.	Classification	Amount
1	Non-production of record	1,983.312
2	Tax and duties	19.529
2	Irregularities	99.600

9.1.5 Brief comments on the status of compliance with PAC directives

S. No.	Audit Report Year	Total Paras	Compliance received	Compliance not received	Percentage of compliance
1	1984-85	6	-	6	-
2	1988-89	12	-	12	-
3	1989-90	12	-	12	-
4	1990-91	38	-	38	-
5	1991-92	52	-	52	-
6	1992-93	30	-	30	-
7	1993-94	38	-	38	-
8	1994-95	19	-	19	-
9	1995-96	23	-	23	-
10	1996-97	33	-	33	-
11	1998-1999	8	-	8	-
12	1999-2000	45	-	45	-
13	2001-2002	15	-	15	-
14	2002-2003	4	-	4	-
15	2004-2005	9	-	9	-
16	2005-2006	6	4	2	66%
17	2006-2007	7	3	4	42%
18	2007-2008	4	-	4	-
19	2008-2009	7	4	3	57%
20	2009-2010	3	2	1	67%
21	2010-2011	7	4	3	57%
22	2011-2012	8	-	8	12%
23	2012-2013	16	-	16	-
24	2013-2014	16	-	16	-
25	2014-2015	12	-	12	-
26	2015-2016	7	-	7	-
27	2016-2017	13	-	13	-
28	2017-2018	11	11	0	100%
29	2018-2019	21	-	21	-
30	2019-2020	8	-	8	-
	Total	490	28	462	5.7%

Most of the Audit Reports have not yet been discussed by the PAC.

9.2 AUDIT PARAS

9.2.1 Non-production of record - Rs. 1,983.312 million

According to Article 170 (2) of the Constitution of Islamic Republic of Pakistan read with Para 14-1 of the Auditor General's Ordinance, 2001, "The audit of the accounts of Federal and of the Provincial Governments and accounts of any authority or body established by, under the control of, the Federal or Provincial Government shall be conducted by the Auditor-General, who shall determine the extent and nature of such audit and Shall, have authority to require that any account, books, papers and other documents which deal with, or form, the basis of or otherwise relevant to the transactions to which his duties in respect of audit extend, shall be sent to such place as he may direct for his inspection. The officer in-charge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with all reasonable expedition, further, any person or authority hindering the auditorial functions of the Auditor General regarding inspection of accounts shall be subject to disciplinary action under relevant Efficiency and Discipline Rules, applicable to such person."

The Additional Director, Medical Store Depot, Quetta incurred an expenditure of Rs. 1,983.312 million during the financial years 2017-19 on purchase of medicines, but no record was produced to audit for scrutiny to audit.

Non-production of record was a violation of above-mentioned Rule and rendered the expenditure unaudited.

The matter was reported to the department in October, 2019 and April, 2020 but no replies were received.

The PAO was requested to convene a DAC meeting in the third week of November, 2020 followed by repeated reminders but no meeting was held till finalization of this report.

Audit recommends that complete record of the expenditure be produced to audit in addition to initiation of disciplinary action against the persons responsible.

9.2.2 Inadmissible withdrawal of Health Professional Allowance/Rural Incentive Allowance - Rs. 38.844 million

According to Finance Department Notification No. FD(R-I) III-42/Dr./2016/2109-2230 dated June 22, 2012 read with Health Department's Order No. SO (B) 9-49/2011-12/25474-580 dated September 17, 2011, the GoB enhanced the rates of Health Professional Allowance in favor of all ranks of Specialist Cadre, Health Management Cadre and General Cadre Doctors of Health Department (BPS 17 and above). S. No. (h) The Allowance shall not be admissible during Earned Leave, Study Leave, Extraordinary Leave (Without pay and allowance) except Casual Leave. Further, the GoB, Health Department vide No. SO-1(H)/29-2-10-2019/70/76 dated May 07, 2019 fixed Rs. 42,000 Per Month as Health Professional Allowance for category "B" working in urban area of district Kech. Moreover, as per GoB, Finance Department notification No. FD(R-1)III-42/Dr/2016/2109-2230 dated November 10, 2016, the Rural Incentive Allowance was ceased w.e.f. 01.11.2016.

In the following offices of Health Department during the financial years 2013-19, there were employees on study leave and were also drawing Health Professional Allowance @ Rs. 72,000 and 62,000 Per Month. Further, Rural Incentive Allowance was discontinued from November 01, 2016. Due to allowing inadmissible allowances, an amount of Rs. 38.844 million was paid unauthorisedly, as detailed in Annexure 9.1.

(Rs. in million)

S. No.	Name of DDO	AIR Para No.	Head of account	Amount
1	DHO, Kachhi at Dhadar	1	Health Professional Allowance	6.840
2	Executive Director (ED), Shaikh Khalifa Bin Zaid Hospital, Quetta	6 and 13	Health Professional Allowance	0.712
3	DHO, Jaffarabad	2	Health Professional Allowance	5.690

S. No.	Name of DDO	AIR Para No.	Head of account	Amount
4	DHO, Uthal	1	Health Professional Allowance	12.168
5	DHO, Gawadar	3	Rural Incentive Allowance	0.600
6	MS, District Head Quarter Hospital, Uthal	5	Health Professional Allowance	2.542
7	MS, District Head Quarter Hospital, Jaffarabad	1	Health Professional Allowance	6.758
8	DHO, Jhal Magsi	1	Health Professional Allowance	3.534
Total				38.844

Negligence of management resulted in payment of inadmissible allowances causing loss to the government.

The matter was reported to the department in October, 2019, April and June, 2020 but no replies were received.

The PAO was requested to convene a DAC meeting in the third week of November, 2020 followed by repeated reminders but no meeting was held till finalization of this report.

Audit recommends that recovery of the amount paid unauthorizedly in lieu of Health Professional Allowance and Rural Incentive Allowance may be made and the drawal in question be stopped.

9.2.3 Non-realization of user charges - Rs. 35.776 million

As per Clause 14/2 (b) Act of BINUQ, "Receipt and user charges fixed by the Board of Governor in the 3rd meeting held on December 15, 2017 for out/indoor patients who visited hospital." As per Health Department, GoB Notification No. SO(B)H//9-88/2009/47-56 dated January 01, 2010, "User charges for Laboratory test, X-rays, and Labour Room is Rs. 50, OPD is Rs. 050 and Ultrasound is Rs. 75 Per Patient Per Test."

In BINUQ, the consolidated statement was provided by the in charge of revenue receipt regarding OPD tickets, laboratory tests, Ultra Sound, X-Ray, Lithotripsy and General Surgery etc. during the financial years 2016-19. However, no user charges were realized. Due to non-generation of income of user charges, the institute was put to a revenue loss of Rs. 35.776 million, as detailed in Annexure 9.2.

Non-compliance with BINUQ Act and Order of the Board of Governors resulted in a huge revenue loss to the Institute.

The management of the Institute accepted the stance of audit and stated that no charges have been levied from the patients prior to April, 2019.

The PAO was requested to convene a DAC meeting in the third week of November, 2020 followed by repeated reminders but no meeting was held till finalization of this report.

Audit recommends that an inquiry be conducted as to why the due revenue was not generated. Further, the responsibility be fixed against the person(s) responsible for the lapse.

9.2.4 Inadmissible payment of project allowance - Rs. 21.913 million

According to Finance Department No. FD(R-I) III-12/PA/2007/2740-2861 dated September 11, 2007, "The Project Allowance was admissible to those civil servants who have been selected through open competition for the project posts. Project Allowance was not admissible to the officers who are posted by transfer." Further, the GoB had discontinued Project Allowance from April 17, 2012 on the decision of Supreme Court of Pakistan dated April 12, 2012.

The Provincial Coordinator, MNCH, Quetta, during the financial year 2018-19 paid an amount of Rs. 21.913 million to the officers/officials of the MNCH Program. Said payment was held inadmissible as it stood made on account of Project Allowance, whereas, the GoB has discontinued the Project Allowance on the decision of Supreme Court of Pakistan dated April 12, 2012. Therefore, the recovery should be calculated as detailed in Annexure 9.3.

Unauthorized drawal of Project Allowance caused overpayment to the staff.

The matter was reported to the Program in March, 2020 but no reply was received.

The PAO was requested to convene a DAC meeting in the third week of November, 2020 followed by repeated reminders but no meeting was held till finalization of this report.

Audit recommends that recovery of the amount paid unauthorizedly in lieu of Project Allowance may be made and the drawal in question be stopped.

9.2.5 Non-deduction of governmental taxes - Rs. 19.529 million

According to Section 3 of BSTS Act, 2015, “The GoB levied Sales Tax @ 15% on provision of services rendered by engineering consultants, Contractors of buildings (Including water supply, gas supply and sanitary works, roads and bridges, electrical and mechanical works including air conditioning), (Including turn-key projects) and similar other works.” Further, as per Section 22 A of Schedule I to Stamp Act, 1899, as amended vide Balochistan Finance Act, 1994, “0.25% of the contract value was required to be realized from the contractor as stamp duty, while entering into contract for execution of any works or to procure stores and materials.” Moreover, as per Section 153 of Income Tax Ordinance, 2001 amended from time to time, “Every DDO is responsible to make the deduction of income tax at prescribed rate, while making payment to the contractors for execution of contract.”

The following offices of Health Department during the financial year 2018-19 made payments to the contractors on account of different works. However, BSTS on services, stamp duties and income tax were not deducted from the contractors resulting in a revenue loss of Rs. 19.529 million.

(Rs. in million)

S. No.	Name of office	Financial year	Amount
BSTS			
1	ED, Sheikh Khalifa Bin Zayyed Hospital, Quetta	2018-19	0.051

S. No.	Name of office	Financial year	Amount
2	ED, Balochistan Institute of Psychiatry and Behavioral Science, Quetta	2018-19	0.079
3	PD, Mekran Medical College, Turbat	2018-19	3.908
4	MS, BMC Hospital Quetta	2018-19	0.945
5	DHO, Lasbela	2018-19	0.045
6	PC, MNCH Quetta	2018-19	4.582
7	PC, MNCH Quetta	2018-19	0.217
8	PC, Prevention and blindness control program, Quetta	2018-19	0.051
9	DHO, Quetta	2018-19	0.033
10	MS, Provincial Sandeman Hospital, Quetta	2018-19	0.744
11	MSs, Provincial Sandeman Hospital, Quetta	2018-19	2.674
12	PC, Malaria Control Pregame, Quetta	2018-19	0.050
13	Chief Executive Officer, BINUQ, Quetta	2016-18	0.576
14	Chief Executive Officer, BINUQ, Quetta	2016-18	0.606
15	Chief Executive Officer, BINUQ, Quetta	2018-19	0.465
16	Chief Executive Officer, BINUQ, Quetta	2018-19	0.322
Income tax			
1	ED, Sheikh Khalifa Bin Zayyed Hospital, Quetta	2018-19	0.806
2	MSs, BMC Hospital, Quetta	2018-19	0.845
3	MSs, BMC Hospital, Quetta	2018-19	0.595
4	Additional Director, Medical Store Depot, Quetta	2018-19	1.081
5	PD, Mekran Medical College, Turbat	2018-19	0.589
6	PC, AIDS Control Program, Quetta	2018-19	0.205
7	Chief Executive Officer, BINUQ, Quetta	2016-18	0.303
8	Chief Executive Officer, BINUQ, Quetta	2018-19	0.161
Stamp duty			
1	PD, Safe Blood Transfusion, Quetta	2018-19	0.231
2	PD, Mekran Medical College, Turbat	2018-19	0.206
3	ED, Sheikh Khalifa Bin Zayyed Hospital, Quetta	2018-19	0.107
Total			19.529

Non-deduction of BSTS, Income Tax and Stamp Duty resulted in a revenue loss to the government.

The matter was reported to the department in March, October 2019 and March, 2020 but no replies were received.

The PAO was requested to convene a DAC meeting in the third week of November, 2020 followed by repeated reminders but no meeting was held till finalization of this report.

Audit recommends that governmental taxes may be recovered from the concerned contractors.

9.2.6 Irregular retention of Government receipts - Rs. 3.027 million

According to the Para 5 of GFR, Vol-I, “Moneys received as dues of Government or for deposit in the custody of Government should be credited into the Public Account in accordance with the Treasury Rules.”

The following offices of Health Department during the financial year 2018-19 realized an amount of Rs. 7.997 million. However, the deposited amount in government treasury was only Rs. 4.970 million. A balance of Rs. 3.027 million was outstanding/not deposited, as detailed below:

(Rs. in million)

S. No.	Name of DDO	AIR Para No.	Amount
1	MS, Provincial Sandeman Hospital, Quetta	16	1.980
2	MS, Provincial Sandeman Hospital, Quetta	07	0.136
3	MS, Bolan Medical Complex Hospital, Quetta	18	0.421
4	MS, Fatima Jinnah General and Chest Hospital, Quetta	04	0.490
Total			3.027

Illegal retention of government receipt caused loss to the government.

The matter was reported to the department in October, 2019 and March, 2020 but no replies were received.

The PAO was requested to convene a DAC meeting in the third week of November, 2020 followed by repeated reminders but no meeting was held till finalization of this report.

Audit recommends that amount spent out of receipts should immediately be deposited in the Government Treasury besides, fixing responsibility on the persons at fault. Further, the practice in question needs to be discontinued.

Chapter 10

10.1 Irrigation Department

10.1.1 Introduction

The Department of Irrigation has been established mainly to construct and maintain canals, delay action dams, water reservoirs for storage of water, perennial water channels and irrigation schemes. Besides, the department is responsible for river and riverbank surveys, implementation of water logging schemes, land reclamation and flood control schemes.

10.1.2 Comments on Budget and Accounts (Variance Analysis)

Development and Non-Development funds amounting to Rs. 11,951.290 million were allocated to the department during 2019-20. Against the said allocation, an expenditure of Rs. 10,020.575 million was incurred, as summarized below:

(Rs in million)

Type of grant	2019-20			
	Final grant	Actual expenditure	Excess/ (Saving)	Percentage
Non-Development Grant No. BC 21032	2,527.778	2,382.134	(-)145.645	5.76
Development Grant No. BC 12232 Function No. 042205	6,531.034	4,764.745	(-)1,766.289	27.04
Development Grant No. BC 12232 Function No. 042202	2,892.478	2,873.697	(-)18.781	0.65
Total Development	9,423.512	7,638.442	(-)1,785.070	18.94
Grand Total Non-Development and Development	11,951.290	10,020.575	(-)1,930.715	16.15

An expenditure of Rs. 1,930.715 million was saving in Development and Non-Development, which indicated improper budgeting and financial mismanagement.

10.1.3 Audit profile of Irrigation Department

(Rs. in million)

S. No.	Description	Total number	Audited	Expenditure audited financial year 2019-20	Revenue/ Receipts audited financial year 2019-20
1	Formations	72	29	1,0141.952	-
2	Assignment Accounts	10	4	5,016.203	-
3	Special Drawing Accounts	-	-	-	-
4	Authorities/ Autonomous Bodies etc. under the PAO	-	-	-	-
5	Foreign Aided Project (FAP)	2	2	715.349	-

10.1.4 Classified Summary of Audit Observations

+

Audit observation amounting to Rs. 1,303.846 million was raised in this report during the current audit of Irrigation Department. This amount also includes recoveries of Rs. 491.409 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rs. in million)

S. No.	Classification	Amount
1	Overpayment	438.762
2	Tax and duties	51.117
3	Irregularities	813.967

10.1.5 Brief comments on the status of compliance with PAC directives

S. No.	Audit Report Year	Total Paras	Compliance received	Compliance not received	Percentage of compliance
1	1984-85	14	-	14	0
2	1988-89	20	-	20	0
3	1989-90	36	-	36	0
4	1990-91	7	-	7	0
5	1991-92	47	-	47	0
6	1992-93	27	-	27	0
7	1993-94	50	-	50	0
8	1994-95	24	-	24	0
9	1995-96	34	-	34	0
10	1996-97	8	-	8	0
11	1997-98	28	26	2	93%
12	1998-99	17	16	1	94%
13	2001-2002	30	-	30	0
14	2002-2003	11	-	11	0
15	2003-2004	11	-	11	0
16	2004-2005	15	-	15	0
17	2005-2006	8	5	3	62.5%
18	2006-2007	8	-	8	0
19	2007-2008	2	-	2	0
20	2008-2009	6	-	6	0
21	2009-2010	18	-	18	0
22	2010-2011	17	-	17	0
23	2011-2012	7	-	7	0
24	2012-2013	14	-	14	0
25	2013-2014	17	-	17	0
26	2014-2015	14	-	14	0
27	2015-2016	6	-	6	0
28	2016-2017	9	-	9	0
29	2017-2018	10	10	0	100%
30	2018-2019	12	-	12	0
31	2019-2020	11	-	11	0
Total		538	57	481	10.7%

Most of the Audit Reports have not yet been discussed by the PAC.

10.2 AUDIT PARAS

10.2.1 Allowing NSRs without rate analysis - Rs. 344.883 million

As per Preface of CSR, 1998, “The rates for items other than those given in the Schedule shall be treated as non-scheduled items. Analysis of rates for such items shall be prepared by the concerned Executive Engineer and approved by the competent authority keeping in view the provisions of the delegation of the financial power. Copies of the approved rate analyses shall be forwarded to the Standing Rates Committee for reference and review wherever found necessary.”

The following offices of Irrigation Department, Balochistan incurred an expenditure of Rs. 344.883 million on different civil works during the financial year 2018-19 and allowed NSRs without preparing rate analysis and getting them approved by the competent authority, as detailed below:

(Rs. in million)			
S. No.	Name of office	AIR Para No.	Amount
1	Irrigation Division, Harnai	5	251.204
2	Kirther Canal Division, Usta Muhammad	2	1.872
3	Irrigation Division, Loralai	10	91.807
	Total		344.883

Further details are at Annexure 10.1.

Payment on NSRs without preparing rate analysis resulted in an unauthorized payment.

The matter was reported to the department in April, 2020 and September, 2020 but no reply was received.

In the DAC meeting held on December 22, 2020, the forum directed the department to prepare comparison of rates analysis with CSR/justification and submit the same to audit for verification.

No progress was intimated till finalization of this report.

Audit recommends that rate analysis duly approved by the competent authority may be provided to audit for scrutiny.

10.2.2 Overpayment due to allowing higher CSR rate and wrong calculation of quantities - Rs. 91.171 million

According to Para 16 and 220 of CPWA Code, “The Divisional and Sub Divisional officers have to satisfy themselves before signing the bill that the quantities and rates recorded in the MB are correct and calculations have been checked arithmetically.”

The following offices of Irrigation Department awarded various civil works during the financial year 2018-19. An amount of Rs. 91.171 million was overpaid to the contractors due to allowing inadmissible and incorrect higher CSR rates and wrong calculation of quantities, as detailed below:

(Rs. in million)

S. No.	AIR Para No.	Name of formation	Amount
1	4	Irrigation Division Zhob	0.280
2	3,4,5	Kirther Canal Division, Usta Muhammad	13.731
3	2,3,4,5	Pat Feeder Canal, DM Jamali	2.296
4	1,2,4,6	Irrigation Division, Kachi	8.442
5	4	Irrigation Division, Killa Saifullah	0.252
6	2,3,4,9	Irrigation Division, Loralai	37.670
7	1,2	Irrigation Division, Ziarat	3.575
8	2,3	Irrigation Division, Quetta	24.531
9	5	Irrigation Division, Kohlu	0.394
Total			91.171

Further details are at Annexure 10.2.

Allowing higher rates than admissible and wrong calculation resulted in overpayments and transpired lack of internal controls within the organization.

The matter was reported to the department during October, 2019 to August, 2020 but no reply was received.

In the DAC meeting held on December 22, 2020, the forum directed the department to justify the rates and the calculation otherwise, affect recovery from the contractors.

No progress was intimated till finalization of this report.

Audit recommends that recovery be affected from the contractors.

10.2.3 Overpayment due to allowing excess item of work - Rs. 2.708 million

As per Para 16 and 220 of CPWA Code, “The Divisional and Sub-Divisional Officers have to satisfy themselves before signing the bill that the quantities and rates recorded in the MB are correct and calculations have been checked arithmetically.”

Executive Engineer, Irrigation Department, Zhob during the financial year 2018-19 awarded the work “Construction of Small Dams in district Zhob (PSDP 1993) Package No. 03” to Government Contractor. The contractor was paid for an item of work “Earthwork for embankment lead up to 30 m and compaction by mechanical means” for a quantity of 409,222.800 Cft. of hard soil, @ Rs. 315.210 Per %Cft. under SI No. 3-5/c(ii) and 893,455.200 Cft. of shingle gravel soil @ Rs. 403.850 Per %Cft. under SI No. 3-5/d(ii). Above items of work includes earthen embankment and compaction of earth but the contractor was paid compaction of earth separately as well. Thus, due to allowing compaction of earth twice, the contractor was overpaid Rs. 2.708 million, as calculated below:

(Rs. in million)

S. No.	Name of item	MB No./ Page	Quantity (Cft.)	Rate paid	Amount
1	Compaction of earth work for embankment lead up to 30 m (Hard soil)	692-L/12	186,192	242.570/ % Cft.	0.452
2	Compaction of earth work for embankment lead up to 30 m (Shingle soil)	692-L/12	744,768	244.97/ % Cft.	1.824

S. No.	Name of item	MB No./ Page	Quantity (Cft.)	Rate paid	Amount
Total					2.276
Add premium @ 19.00%					0.432
Grand total					2.708

Due to allowing inadmissible excess item, government was put to loss.

The matter was reported to the department during June, 2020 but no reply was received.

In the DAC meeting held on December 22, 2020, the forum directed the department to affect the recovery from contractor and get the record verified by audit.

No progress was intimated till finalization of this report.

The matter is reported for affecting recovery.

10.2.4 Non/less deduction of governmental taxes - Rs. 51.117 million

According to Section 3 of BSTS Act, 2015, “The GoB levied Sales Tax @ 15% on provision of services rendered by engineering consultants, Contractors of buildings (Including water supply, gas supply and sanitary works, roads and bridges, electrical and mechanical works including air conditioning), (Including turn-key projects) and similar other works.” Further, according to Section 153 of Income Tax Ordinance, 2001, “Every DDO is responsible to make the deduction of income tax at @ 7.5% while making payment to the contractors for execution of contract.” Moreover, as per Section 22 A of Schedule I to Stamp Act, 1899, as amended vide Balochistan Finance Act, 1994, “0.25% of the contract value is required to be realized from the contractor as stamp duty, while entering into contract for execution of any works or to procure stores and materials.” In addition, according to Para 2.66 of B&R Code read with Clause 19 of conditions of contract agreement, “Security deposit @ 10% should be deducted from payment made for work done to contractors and refunded after three months from date of completion of scheme.”

In different divisions of Irrigation Department, various governmental taxes/duties amounting to Rs. 51.117 million were either not deducted or less deducted during the financial year 2018-19. These instances include non-deduction of BSTS, less deduction of sales tax/income tax, non-deduction of stamp duty and non-deduction of security deposits, as detailed below:

(Rs. in million)

S. No.	AIR Para No.	Name of office	Description	Amount
1	2	Irrigation Division, Harnai	BST	9.800
2	7	Kirther Canal Division, Usta Muhammad	Stamp duty	0.779
3	6	Pat Feeder Canal, DM Jamali	Stamp duty	0.499
4	3	Irrigation Division, Musakhel	Stamp duty	0.750
5	5		Income tax	1.571
6	5	Irrigation Division, Kachi	Stamp duty	2.457
7	5	Irrigation Division, Killa Saifullah	BST	0.788
8	7	Irrigation Division, Loralai	BST	9.311
9	5	Irrigation Division, Ziarat	Security Deposit	9.878
10	1	Irrigation Division, Kalat	BST	3.540
11	1	Irrigation Division, Canal, Hub	BST/Income Tax	0.295
12	2	Irrigation Division, Kohlu	BST	5.420
13	2	Irrigation Division, Pishin	BST	6.029
Total				51.117

Non-realization of governmental taxes and duties caused a revenue loss to the government.

The matter was reported to the department during November, 2019 to September, 2020 but no reply was received.

In the DAC meeting held on December 22, 2020, regarding BSTS, it was decided that the Chief Engineers of Irrigation Department should bring the grievances of the contractors and department to the PAO and move a summary to BRA for clarification of BSTS. DAC further directed that the amount of BST on services portion should be worked out and recovered from the contractors. Further, the DAC directed to produce/recover original stamp papers and relevant documents to audit for verification.

No progress was intimated till finalization of this report.

Audit recommends that the necessary recoveries of government taxes be affected.

10.2.5 Unjustified payment on account of premium - Rs. 2.103 million

According to P&D Department Notification No. P&D-RO/C&T (32) 1/2018-19/7299 dated July 14, 2018 the district wise premiums will be notified separately.

In the following divisions of the Irrigation Department, during the financial year 2018-19, various development works were awarded to different contractors. Management paid premium on these works without any Notification. In the above-mentioned P&D Department Notification, it was clearly written that premium would be notified separately but till date, no order(s) were notified. It resulted in an overpayment of Rs. 2.103 million, as detailed below:

(Rs. in million)

S. No.	AIR Para No.	Name of Division	Name of scheme	Cost
1	1	Kirther Canal Division, Usta Muhammad	Various schemes	1.827
2	1	Pat Feeder Canal, DM Jamali	Various schemes	0.276
Total				2.103

Further details are at Annexure 10.3.

Payment of premium without any notification/allowance was held irregular and unauthorized.

The matter was reported to the department in November, 2019 and June, 2020 but no reply was received.

In the DAC meeting held on December 22, 2020, the forum directed the management to affect the recovery from the contractors.

No progress was intimated till finalization of this report.

Audit recommends that overpayments made to the contractors be recovered.

10.2.6 Execution of works without technical sanctions - Rs. 811.864 million

As per CPWD Code 56 and B&R Code 2.82, “No work shall commence unless properly detailed design and estimates have been sanctioned by the competent authority, except real emergent works, which must also be immediately reported to the authorities competent to accord technical sanction.”

In the following divisions of the Irrigation Department, during the financial year 2018-19, different development projects costing Rs. 811.864 million were executed without obtaining prior technical sanctions of the estimates from the competent authority:

(Rs. in million)

S. No.	AIR Para No.	Name of Division	Name of scheme	Cost
1	4	Irrigation Division, Musakhel	Construction of Khazana Dam (Solan Dargha)	300
2	4	Irrigation Division, Ziarat	Various schemes	511.864
Total				811.864

Execution of works without technical sanctions was a serious violation of Rules and Procedures.

The matter was reported to the department in July, 2020 but no reply was received.

In the DAC meeting held on December 22, 2020, the forum directed that Technical Sanctioned Estimates duly approved be produced to audit.

No progress was intimated till finalization of this report.

Audit recommends that technical sanctions of the schemes may be produced to audit and such practice needs to be discouraged.

Chapter 11

11.1 Livestock and Dairy Development Department

11.1.1 Introduction

Livestock is considered one of the most important sectors in Balochistan. The majority of rural population is engaged in rising of livestock. Basic policy of the Livestock and Dairy Development department is to protect the animals from various diseases. For this purpose, veterinary hospitals were established all over the province for providing medicines to breeders at their doorstep on subsidized rates. To attract the people towards this sector, the Government established Dairy and Poultry Farms in various districts of the province. For introduction of new breeds, the Government also arranged supplies of animals to the breeders on subsidized rates.

11.1.2 Comments on Budget and Accounts (Variance Analysis)

Development and Non-Development funds amounting to Rs. 3,854.937 million were allocated to the department during 2019-20. Against the said allocation, an expenditure of Rs. 2,560.557 million was incurred, as summarized below:

(Rs. in million)

Type of grant	2019-20			
	Final grant	Actual expenditure	Excess/ (Saving)	%
Non-Development Grant No. BC21028	3,368.538	3,096.355	(-)272.183	8.08
Development Grant No. BC12228 Function No. 042106	486.399	464.202	(-)22.197	4.56
Grand Total Non-Development and Development	3,854.937	3,560.557	(-)294.380	7.64

There was a saving of Rs. 294.380 million on development and non-development side, which indicated improper budgeting.

11.1.3 Audit profile of Livestock and Dairy Development Department, Balochistan

(Rs. in million)

S. No.	Description	Total number	Audited	Expenditure audited financial year 2019-20	Revenue/ Receipts audited financial year 2019-20
1	Formations	104	16	904.918	11.590
2	Assignment Accounts	-	-	-	-
3	Special Drawing Accounts	-	-	-	-
4	Authorities/ Autonomous Bodies etc. under the PAO	-	-	-	-
5	Foreign Aided Project (FAP)	-	-	-	-

11.1.4 Classified Summary of Audit Observations

Audit observation amounting to Rs. 23. 363 million was raised in this report during the current audit of Livestock and Dairy Development Department. This amount also includes recoveries of Rs. 21.993 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rs. in million)

S. No.	Classification	Amount
1	Loss	21.993
2	Irregularities	1.370

11.1.5 Brief comments on the status of compliance with PAC directives

S. No.	Audit Report Year	Total Paras	Compliance received	Compliance not received	Percentage of compliance
1	2004-2005	2	-	2	0
2	2005-2006	5	-	5	0
3	2007-2008	8	-	8	0

S. No.	Audit Report Year	Total Paras	Compliance received	Compliance not received	Percentage of compliance
4	2009-2010	1	-	1	0
5	2012-2013	8	-	8	0
6	2013-2014	16	-	16	0
7	2017-2018	05	05	0	100
8	2018-2019	06	-	06	0
9	2019-2020	04	-	04	0
Total		55	05	50	9.06

Note: Most of the audit reports have not yet been discussed by the PAC.

11.2 AUDIT PARAS

11.2.1 Loss due to low percentage of income - Rs. 21.993 million

According to Rule 23 of GFR, Vol.-I, “Every government officer should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part.”

The Superintendent, Red Sindhi Cattle Farm, Hub incurred an expenditure of Rs. 31.036 million on feeding charges during the financial years 2014-19, against which a revenue of Rs. 9.043 million was generated through sale proceeds of milk, calves/cattle etc. The expenditure was more than the revenue making the entity financially unsustainable. Detail of expenditure and income is tabulated below:

(Amount in Rs.)

S. No.	Financial year	Expenditure on feeding charges	Income from sale of milk, calves/cattle	Difference	Percentage of income
1	2014-15	8,706,325	1,809,720	6,896,605	21%
2	2015-16	5,059,567	659,695	4,399,872	13%
3	2016-17	5,414,729	1,727,500	3,687,229	32%
4	2017-18	5,656,128	2,376,970	3,279,158	42%
5	2018-19	6,199,425	2,469,120	3,730,305	40%
Total		31,036,174	9,043,005	21,993,169	29%

Inefficient performance of Farm has resulted in low percentage of incomes.

The matter was reported to the department in May, 2020 but no reply was received.

In the DAC meeting held on January 26, 2021, the department replied that 70% of the animals were unproductive. Further, the department was of the view that the farm is responsible for preserving the specie of Red Sindhi cows and research is their main assignment. In reply, audit asked for the research outcomes of the Farm but the same could not be provided. The PAO accepted that there was a need of changing the mode of operation of the Farm by replacing the existing breed, which is less productive with cows having higher productivity.

No progress was intimated till finalization of this report.

Audit recommends looking into the cost benefit ratio of the Farm from all relevant aspects and its outcome may be shared with audit.

11.2.2 Irregular retention and non-deposit of outstanding amount - Rs. 1.370 million

According to Rule 5 of GFR, Vol-I, "Moneys received as dues of government or for deposit in the custody of government should be credited into the Public Account in accordance with the Treasury Rules." Also, as per Rule 77 of FTR, Vol-I read with Rule 4 of GFR, Vol-I, "All government officers, authorized to receive money on behalf of the government or authorized to make disbursement from public money, should maintain an account of their cash transactions in cash book on prescribed form and in accordance with the instructions contained in the above referred rules." FTR 77(ii) states, "All the monetary transactions should be recorded in the cash book as they occur and should be attested by the head of the office in token of check."

The Superintendent, Red Sindhi Cattle Farm, Hub realized an amount of Rs. 9.993 million on account of sale proceeds of different dairy and agriculture products during the financial years 2014-19 (Including previous years receipts), which were not deposited in the Government Treasury on daily basis. This act was irregular and a heavy amount was kept outside the

government chest. All the sales income was deposited very late by two to four months. The receipts were also not accounted for in the receipt side of the main cashbook on daily basis, which was a breach of financial rules. Moreover, an amount of Rs. 1.387 million was not deposited in the government treasury. Detail is in Annexure 11.1.

Public money kept in unauthorized accounts at the end of the financial year was illegal.

The matter was reported to the department in May, 2020 but no reply was received.

In the DAC meeting held on January 26, 2021, the management replied that amount will be deposited shortly. The DAC directed to deposit the outstanding amount immediately and report progress.

No progress was intimated till finalization of this report.

Audit recommends that money illegally retained in the commercial bank accounts may be deposited in government treasury immediately. Besides, instructions be issued to the concerned for avoidance of such practice in future.

Chapter 12

12.1 Fisheries Department

12.1.1 Introduction

The basic function of Fisheries Department is to plan and develop Balochistan fisheries sector, both marine and inland, on modern lines as per international standard, and ensure availability of fresh and hygienic seafood to the masses.

12.1.2 Comments on Budget and Accounts (Variance Analysis)

Development and Non-Development funds amounting to Rs. 2,242.961 million were allocated to the department during 2019-20. Against the said allocation, an expenditure of Rs. 2,158.366 million was incurred, as summarized below:

(Rs. in million)

Type of grant	2019-20			
	Final grant	Actual expenditure	Excess/ (Saving)	%
Non-Development Grant No. BC21030	1,591.022	1,506.615	(-)84.406	5.31
Development Grant No. BC12230 Function No. 042501	651.939	651.751	(-).188	0.03
Grand Total Non-Development and Development	2,242.961	2,158.366	(-)84.594	3.77

There was a saving of Rs. 84.594 million against development and non-development expenditure, which indicated improper budgeting and inefficient utilization of funds.

12.1.3 Audit profile of Fisheries Department, Balochistan

(Rs. in million)

S. No.	Description	Total number	Audited	Expenditure audited financial year 2018-19	Revenue/ Receipts audited financial year 2018-19
1	Formations	26	1	97.178	-
2	Assignment Accounts	-	-	-	-
3	Special Drawing Accounts	-	-	-	-
4	Authorities/ Autonomous Bodies etc. under the PAO	-	-	-	-
5	Foreign Aided Project (FAP)	-	-	-	-

12.1.4 Classified Summary of Audit Observations

Audit observation amounting to Rs. 1.017 million was raised in this report during the audit of Livestock and Dairy Development Department. This amount also includes recoveries of Rs. 1.017 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rs. in million)

S. No.	Classification	Amount
1	Tax and duties	1.017

12.1.5 Brief comments on the status of compliance with PAC directives

S. No.	Audit Report Year	Total Paras	Compliance received	Compliance not received	Percentage of compliance
1	2017-2018	10	0	10	0
2	2018-2019	1	-	1	0
TOTAL		11	0	11	0

Most of the Audit Reports have not yet been discussed by the PAC.

12.2 AUDIT PARAS

12.2.1 Less-deduction of income tax from employees - Rs. 1.017 million

According to Section 149 of Income Tax Ordinance, 2001, “Every public officer paying salary to an employee shall, at the time of payment, deduct tax from the amount paid at the employee’s average rate of tax computed at the rates specified.”

It was observed that MD, Pasni Fish Harbor Authority, Balochistan incurred an expenditure of Rs. 43.214 million on account of salaries during the financial year 2017-18 but income tax was not deducted as per prevalent tax slabs. Hence, an amount of Rs. 1.017 million was outstanding against various officials on account of income tax as detailed in Annexure 12.1.

Audit was of the view that less deduction of income tax resulted due to non-adherence with standing orders of the government.

The matter was reported to the Authority during August, 2020 but no reply was received.

DAC was not held till finalization of this report.

Audit recommends that recovery of the amount be affected. Further, the due income tax needs to be deducted from the salaries regularly.

Chapter 13

13 Police

13.1.1 Introduction

The Police has been created for maintaining public peace and order. Police force works to prevent highway robberies, enforce traffic discipline, and prevent house robberies and street crimes, to counter terrorism, sectarianism, extremism and security of sensitive installation, foreigners and dignitaries.

13.1.2 Comments on Budget and Accounts (Variance Analysis)

Development and Non-Development funds amounting to Rs. 18,090.005 million were allocated to Police during 2019-20. Against the said allocation, an expenditure of Rs. 17,012.840 million was incurred, as summarized below:

(Rs. in million)

Type of grant	2019-20			
	Final grant	Actual expenditure	Excess/ (Saving)	Percentage
Non-Development Grant No. BC21008	17,492.263	16,419.412	(-)1,072.851	6.13
Development Grant No. BC12208 Function No .032102	597.742	593.428	(-)4.314	0.72
Grand Total Non-Development and Development	18,090.005	17,012.840	(-)1,077.166	5.95

13.1.3 Audit profile of Police, Balochistan

(Rs. in million)

S. No.	Description	Total number	Audited	Expenditure audited financial year 2017-18	Revenue/ Receipts audited financial year 2017-18
1	Formations	56	26	14,336.14	-

S. No.	Description	Total number	Audited	Expenditure audited financial year 2017-18	Revenue/ Receipts audited financial year 2017-18
2	Assignment Accounts	-	-	-	-
3	Special Drawing Accounts	-	-	-	-
4	Authorities/ Autonomous Bodies etc. under the PAO	-	-	-	-
5	Foreign Aided Project (FAP)	-	-	-	-

13.1.4 Classified Summary of Audit Observations

Audit observation amounting to Rs. 29.272 million were raised in this report during the current audit of Police. This amount also includes recoveries of Rs. 5.592 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rs. in million)

S. No.	Classification	Amount
1	Irregular expenditure	23.680
2	Tax and duties	5.592

13.1.5 Brief comments on the status of compliance with PAC directives

S. No.	Audit Report Year	Total paras	Compliance received	Compliance not received	Percentage of compliance
1	2005-2006	2	2	0	0
2	2006-2007	1	1	0	0
3	2007-2008	3	2	1	0
4	2008-2009	6	3	3	0
5	2011-2012	5	-	5	0

S. No.	Audit Report Year	Total paras	Compliance received	Compliance not received	Percentage of compliance
6	2013-2014	14	-	14	0
7	2014-2015	4	-	4	0
8	2015-2016	6	-	6	9
9	2016-2017	2	-	2	0
10	2017-2018	5	5	0	100%
11	2018-2019	6	-	6	0
12	2019-2020	2	-	2	0
Total		56	13	43	25%

Most of the Audit Reports have not yet been discussed by the PAC.

13.2 AUDIT PARAS

13.2.1 Irregular expenditure without open tender - Rs. 23.680 million

As per Rule 15 (1) of BPPRs, 2014, “Procurements over one hundred thousand rupees and up to one million rupees shall be advertised by timely notifications on the Authority’s website. These Procurement opportunities may also be advertised in print media in the manner and format as prescribed in these rules, if deemed necessary by the Procuring Agency.”

Senior Superintendent of Police, Counter Terrorism Department, Quetta incurred an expenditure of Rs. 23.680 million on Fabrication for Strike Force Hilux Single and Double Cabin armoring from M/s Toyota Zarghoon Motors, Quetta without inviting open tender during the financial year 2017-18, as detailed below:

(Rs. in million)

S. No.	Description of goods	Cheque No. and date	Amount
1	Fabrication for Strike Force Hi-Lux Single Cabin Armoring	1355810, 24.05.2018	11.730
2	Fabrication for Strike Force Hi-Lux Single Cabin Armoring	1355810, 24.05.2018	4.160

S. No.	Description of goods	Cheque No. and date	Amount
3	Bullet Proof Level B 6 of Toyota Pickup Double Cabin 4x4 Standard	1355810, 24.05.2018	7.790
	Total		23.680

Non-compliance with the BPPRs transpired weak internal control and financial indiscipline.

The matter was reported to the department in August, 2019 but no reply was received.

The PAO was requested to convene a DAC meeting in September, 2020 followed by reminders but no meeting was held till finalization of this report.

No further progress was intimated till finalization of this report.

Audit recommends that the same expenditure be incurred through open competition and the expenditure be got regularized from the Finance Department.

13.2.2 Non-realization of BSTS - Rs. 5.592 million

According to Section 3 of BSTS Act, 2015, “The GoB levied Sales Tax @ 15% on provision of services rendered by engineering consultants and taxable service listed in Second Schedule, which is provided by a person from his office or place of business in Balochistan in the course of an economic activity, including the commencement or termination of the activity.”

The following offices of Police incurred an expenditure of Rs. 39.056 million on account of different procurements during the financial years 2015-16 to 2018-19 but the management failed to realize 15% BSTS amounting to Rs. 5.592 million, as detailed below:

(Rs. in million)			
S. No.	Name of offices	Financial years	Amount
1	Senior Superintendent of Police, Telecommunication, Quetta	2016-18	0.083

S. No.	Name of offices	Financial years	Amount
2	Capital City Police Officer, Quetta	2017-18	2.196
3	Capital City Police Officer, Quetta	2018-19	1.809
4	Senior Superintendent of Police, Motor Transport, Quetta	2015-19	0.758
5	Senior Superintendent of Police, Traffic, Quetta	2017-18	0.119
6	Senior Superintendent of Police, CTD, Quetta	2014-18	0.627
Total			5.592

Non-realization of BSTS on provision of services and services rendered caused a revenue loss to the Government.

The matter was reported to the department in March and August, 2019 but no reply was received.

The PAO was requested to convene a DAC meeting in September, 2020 followed by reminders but no meeting was held till finalization of this report.

No further progress was intimated till finalization of this report.

Audit recommends that the recovery be affected from the concerned in the light of BSTS Act, 2015.

Chapter 14

14.1 Public Health Engineering (PHE) Department

14.1.1 Introduction

The major function of PHE Department is providing access to the safe drinking water in the rural as well as in urban slums of the province, installation of tube wells and establishment of drinking water supply schemes. Department also ensures availability of piped water in adequate quantity for drinking and household purposes and protection of water sources from contamination etc. Other functions of the department are as under;

- Improvement of sewerage system and sanitary conditions.
- Deducting regular revenue to cover all cost of operation and maintenance.
- Issue of notification for water rates.
- Service matters except those entrusted to S&GAD.

14.1.2 Comments on Budget and Accounts (Variance Analysis)

Development and Non-development funds amounting to Rs. 14,597.965 million were allocated to the department during 2019-20. Against the said allocation, an expenditure of Rs. 14,267.921 million was incurred, as summarized below:

(Rs. in million)

Type of grant	2019-20			
	Final grant	Actual expenditure	Excess/ (Saving)	Percentage
Non-Development Grant No. BC21014	4,197.027	3,966.672	(-)230.355	5.49
Development Grant No. BC12214 Function No. 052102	10,400.938	10,301.249	(-)99.689	0.96
Grand Total Non-Development and Development	14,597.965	14,267.921	(-)330.044	2.26

Savings of Rs 330.044 million was not surrendered which indicated improper budgeting and financial mismanagement.

14.1.3 Audit profile of PHE Department, Balochistan

(Rs. in million)

S. No.	Description	Total number	Audited	Expenditure audited financial year 2019-20	Revenue/receipts audited financial year 2019-20
1	Formations	80	30	7,637.794	1.129
2	Assignment Accounts	3	-	-	-
3	Special Drawing Accounts	-	-	-	-
4	Authorities/ Autonomous Bodies etc. under the PAO	-	-	-	-
5	Foreign Aided Project (FAP)	-	-	-	-

14.1.4 Classified Summary of Audit Observations

Audit observations amounting to Rs. 3,107.938 million were raised in this report during the current audit of PHE department. This amount also includes recoveries of Rs. 194.241 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rs. in million)

S. No.	Classification	Amount
1	Overpayment	2,799.370
2	Irregularities	114.331
3	Tax and duties	10.284
4	Recoveries	183.957

14.1.5 Brief comments on the status of compliance with PAC directives

S. No.	Audit Report Year	Total Paras	Compliance received	Compliance not received	Percentage of compliance
1	2004-2005	5	-	5	0
2	2006-2007	9	-	9	0
3	2012-2013	7	-	7	0
4	2013-2014	9	-	9	0
5	2014-2015	9	-	9	0
6	2015-2016	8	-	8	0
7	2016-2017	9	-	9	0
8	2017-2018	8	8	0	100
9	2018-2019	7	-	7	0
10	2019-2020	4	-	4	0
Total		75	8	67	11.26

Audit Reports have not yet been discussed by the PAC.

14.2 AUDIT PARAS

14.2.1 Allowing NSRs without rate analysis - Rs. 2,782.514 million

According to the contents of Preface of CSR, 1998, “The rates for items other than those given in this Schedule shall be treated as non-scheduled items. Analysis of rates for such items shall be prepared by the concerned Executive Engineer and approved by the competent authority keeping in view the provisions of the delegation of the financial powers. Copies of the approved rate analyses shall be forwarded to the Standing Rates Committee for reference and review where-ever found necessary.”

The PD, Mangi Dam, Quetta awarded the work “Construction of Main Dam and Allied Structure” to M/s ZKB, Government Contractor contract valuing Rs. 2,782.514 million on item rate basis during the financial year 2017-18. Contractor was allowed to execute the total work on NSR basis without preparing approved rate analysis by the competent authority.

Payment on NSR without approved rate analysis was unauthorized.

The matter was reported to the department in July 13, 2020 but no reply was received

In DAC meeting held on December 08, 2020, the department could not justify non-preparation of rate analysis. The DAC directed the department to produce approved rate analysis from the competent authority to audit for verification.

No further record was produced till finalization of this report.

Audit recommends that rate analysis duly approved by the competent authority may be produced to audit for scrutiny.

14.2.2 Overpayment due to allowing inadmissible mobilization of machinery charges - Rs. 15.300 million

According to Para 16 and 220 of CPWA Code, “The Divisional and Sub-Divisional Officers have to satisfy themselves before signing the bill that the quantities recorded in the MB and rates are correct and calculations have been checked arithmetically.”

The PD, Mangi Dam, Quetta awarded the work “Construction of Main Dam and Allied Structure” to M/s ZKB, Government Contractor vide work order No. ROS/Mangi/ 1168/1 dated March 08, 2017. Contractors were paid for an item of work “Mobilization and demobilization of Contractor’s Plant and Equipment necessary for completion of work machinery to the site of work” @ Rs. 15.300 million as lump sum Per Job on NSR basis. In this respect, the said item was only admissible where the shifting of Government machinery is involved, while the work was awarded/executed through a contract. Therefore, payment for mobilization and shifting of machinery to the contractor was not admissible. Thus, due to allowing inadmissible item of work, the contractor was overpaid Rs. 15.300 million. The contractor was paid mobilization advance Rs. 289.864 million before commencement of the work. The purpose for payment of Mobilization and demobilization of Contractor’s Plant and Equipment could not be justified.

Allowing inadmissible item resulted in an overpayment and was a loss to the government.

The matter was reported to the department in July 13, 2020 but no reply was received.

In the DAC meeting held on December 08, 2020, the DAC directed to recover an amount of Rs. 6.800 million from the next IPC. The amount should be paid on completion/final payment as per Government policy and original records be produced to audit for verification.

No further progress was intimated to audit till finalization of this report.

Audit recommends that the recovery be affected from the concerned contractor.

14.2.3 Allowing inadmissible item of work - Rs. 1.552 million

As per Para 220 and 221 of CPWA Code 220, “The Sub Divisional Officer before signing the bill should compare the quantities and rates in the bill with those recorded in MB and check arithmetically.”

Executive Engineer, PHE, Killa Abdullah awarded various works related to Drilling and Development of bore upto 800 during the financial year 2018-19. The contractors were paid an item of work namely drilling of test hole in all kind of soil shingle gravel for width of 18” dia. Further checking of the record entries of MBs revealed that drilling of 8” dia was already paid and the same was to be deducted from the payment of drilling of 18” dia. Thus, an overpayment of Rs 1.552 million was made, as detailed below:

(Rs. in million)

S. No.	Item of work/MB No.	Amount
1	Drilling and Development of bore 700 Feet for WSS, Killi UC Jangle Panezai, MB No. 772/L	0.322
2	Drilling and Development of bore 700 Feet for WSS, Killi Malak Bari, MB No. 771/L	0.296
3	Drilling and Development of bore 600 Feet for WSS, Killi Malak Bari, MB No. 771/L	0.250
4	Drilling and Development of bore for WSS, Killi Gulistan Karez, MB No. 775/L	0.342
5	Drilling and Development of bore for WSS, Abdul Rehmanzai UC 2, Gulistan, MB No. 775/L	0.342
Total		1.552

Undue financial benefit was extended to the contractors at the cost of public funds.

The matter was reported to the department in June 25, 2020 but no reply was received.

In DAC meeting held on December 08, 2020, the departmental reply was not satisfactory, DAC directed to recover the overpayment amount and original record be produced to audit for verification.

No progress was intimated till finalization of this report.

Audit recommends that the recovery be affected from the concerned contractors.

14.2.4 Less realization of water tariff - Rs. 10.742 million

According to GoB, PHE Department Notification No. SOT(3-4)/PHED/2009-2010/973-1053 dated March 03, 2010, "Rate of water charges for domestic and commercial users are Rs. 75 and Rs. 700 respectively." Further, as per GFR 26, Vol-I, "It is the duty of departmental controlling officer to see that all sums due are regularly and promptly assessed, realized and duly credited in the account."

In the following divisions of PHE Department, an amount of Rs. 10.742 million on account of water tariff was less realized during the financial year 2018-19, as detailed below:

(Rs. in million)

S. No.	AIR Para No.	Name of division	Amount due	Amount recovered	Balance	Percent age
1	AIR-10	PHE Division, Barkhan	0.870	00	0.870	100%
2	AIR-1	PHE Division, Lasbela	7.303	0.486	6.817	93%
3	AIR-1	PHE Division, Kohlu	2.702	0.075	2.627	97%
4	AIR-3	PHE Division, Khuzdar	1.000	0.429	0.428	43%
Total					10.742	

Less realization of water tariff from consumers resulted in a revenue loss to the Government.

The matter was reported to the department in June, 2019 and July, 2020, but no reply was received.

In the DAC meeting held on December 08, 2020, the committee directed the department to recover government receipts from the concerned commercial and household consumers and original challans be produced to audit for verification.

No progress was intimated till finalization of this report.

Audit recommends that recovery of Government revenue receipts be affected from the concerned consumers. Besides, this practice needs not be repeated.

14.2.5 Non-deduction of government taxes - Rs. 10.284 million

According to Section 3 of BSTS Act, 2015, “The GoB has levied Sales Tax @ 15% on provision of services rendered by engineering consultants, Contractors of buildings (Including water supply, gas supply and sanitary works, roads and bridges, electrical and mechanical works including air conditioning), (Including turn-key projects) and similar other works.” According to General Sales Tax (GST) Act, 1990 amended vide Finance Act, 2014-15, GST was enhanced from 16% to 17%, levied on gross amount from the bills of the contractors/suppliers. Moreover, according to Article 4 (22 A) Schedule I to Stamp Act, 1899, as amended vide Balochistan Act, 1995, “Stamp duty @ 0.25% should be recovered/obtained in the shape of stamp duty on non-judicial stamp papers from contractors on the total cost of the contract at the time of award of the work.” Furthermore, as per Section 153 of Income Tax Ordinance, 2001 amended from time to time, “Every DDO is responsible to make the deduction of income tax at prescribed rate, while making payment to the contractors for execution of contract.”

In different divisions of PHE Department, payments were made to the contractors for execution of civil works contracts during the financial year 2018-

19. The divisional officers were required to deduct BSTS on each payment but no sales tax was deducted. This resulted in non-realization of BSTS amounting to Rs. 4.967 million, as detailed in Annexure 14.1.

(Rs. in million)

S. No.	AIR Para No.	Name of division	Financial year	Amount
1	AIR-1	PHE Division, Loralai	2018-19	0.116
2	AIR-3	PHE Division, Lasbela	2018-19	2.450
3	AIR-3	PHE Division, Naseerabad	2018-19	1.171
4	AIR 5	PHE Division, Sherani	2018-19	0.30
5	AIR 2	PHE Division, Kohlu	2018-19	0.930
6	AIR 1	Executive Engineer, PHE, Zhob	2018-19	5.317
Total				4.967

Non-deduction of BSTS put the Government to a revenue loss.

The matter was reported to the department in November, 2019 and July, 2020 but no reply was received.

In the DAC meeting held on December 08, 2020, the DAC directed that the amount of BSTS recovered from the concerned contractors be provided to audit for verification.

No further progress was intimated till finalization of this report.

Audit recommends that the matter may be processed as per DAC directives and necessary recovery in the light of BSTS Act, 2015 may be affected.

14.2.6 Irregular expenditure on execution of development works without technical sanctions - Rs. 114.331 million

As per B&R Code 2.82, “No work shall commence unless properly detailed design and estimates have been sanctioned by the competent authority, except real emergency works, which must also be immediately reported to the authorities competent to accord technical sanction.”

The following offices of Executive Engineer, PHE, during the financial year 2018-19 executed different development schemes amounting to Rs. 114.331 million without obtaining prior technical sanctions of the estimates and administrative approval from the competent authority, as detailed below. This issue has already been raised in the previous audit reports. It is again been reported as the Executive Engineers prepare the TSs on the basis of actual work done and not at the planning stage.

(Rs. in million)

S. No.	AIR Para No.	Name of division	Financial year	Amount due
1	AIR-1	PHE Division, Zhob	2018-19	89.331
2	AIR-1	PHE Division, Sherani	2018-19	25
Total				114.331

The absence of technical sanctions revealed that there was a lack of control over procedure of awarding of contracts to the contractors.

The matter was reported to the department on July 13, 2020 but no reply was received.

In the DAC meeting held on December 08, 2020, the management informed that the technical sanctions of the estimates had not been obtained therefore, the audit observation was noted for necessary compliance in future. The DAC directed for getting necessary technical sanctions of estimates from the competent authority for provision to audit.

No further progress was intimated to audit till finalization of this report.

Audit recommends that technical sanctions of the schemes may be produced to audit and such practice needs to be discouraged.

14.2.7 Less recovery of mobilization advance - Rs. 173.215 million

According to the FD, GoB Notification No. FD(RI-2/MA/92/1392-1492 dated April 30, 1992, "Mobilization advances up to ten percent of the tendered amount in respect of work costing Rs. 30 million and above with the prior

concurrence of the FD and an irrevocable bank guarantee is to be obtained from the contractor. The amount of the advance should be recovered in five equal installments commencing from the first running bill of the contractor.”

In Mangi Dam Project, Quetta, mobilization advance of Rs. 173.215 million was less recovered from different contractors during the financial year 2018-19, as detailed below:

(Rs. in million)

S. No.	Name of work	Name of Contractor	Mobilization advance paid	Recovered	Less recovery
1	Construction of Mangi Dam Project and Conveyance System, (Package I)	M/s ZKB, GC	134.062	139.068	129.056
2			134.062		
3	Construction of Mangi Dam Project and Conveyance System, (Package III)	M/s ACE Consultants, GC	24.912	8.664	16.248
4			24.912	0	24.912
5	Construction of Mangi Dam Project and Conveyance System, (Package I)	M/s ACE Consultants, GC	10.789	7.799	2.999
Total			328.737	155.531	173.215

Less recovery of mobilization advance provided extra financial benefit to the contractors.

The matter was reported to the project/department on July 13, 2020 but no reply was received.

In the DAC meeting held on December 08, 2019, the committee directed to recover the remaining amount as per Government policy and original records be produced to audit for verification.

No further progress was intimated to audit till finalization of this report.

Audit recommends that the recovery be affected from the concerned contractors in the light of FD Notification.

Chapter 15

15.1 Services and General Administration Department (S&GAD)

15.1.1 Introduction

The S&GAD holds a key position among the provincial organizations. It deals with all the posting transfer, appointments, promotion and allied matters of Balochistan Government. It also manages VIP Flats, Bachelor Hostel, Quetta and Balochistan House, Islamabad. Civil Estate Officer, Chief Pilot, Anticorruption and Service Tribunal.

15.1.2 Comments on Budget and Accounts (Variance Analysis)

Development and Non-Development funds amounting to Rs. 2,065.231 million were allocated to the department during 2018-19. Against the said allocation, an expenditure of Rs. 2,043.907 million was incurred, as summarized below:

(Rs. in million)

Type of grant	2019-20			
	Final grant	Actual expenditure	Excess/ (Saving)	Percentage
Non-Development Grant No. BC21001	2,878.457	2,594.445	(-)284.012	9.87
Development Grant No. BC12201 Function No. 061120	3,913.930	1,287.617	(-)2,626.313	67.10
Grand Total Non-Development and Development	6,792.387	3,882.062	(-)2,910.325	42.85

15.1.3 Audit profile of S&GAD, Balochistan

(Rs. in million)

S. No.	Description	Total number	Audited	Expenditure audited financial year 2019-20	Revenue/ Receipts audited financial year 2019-20
1	Formations	16	4	2,020.126	-

S. No.	Description	Total number	Audited	Expenditure audited financial year 2019-20	Revenue/ Receipts audited financial year 2019-20
2	Assignment Accounts	-	-	-	-
3	Special Drawing Accounts	-	-	-	-
4	Authorities/ Autonomous Bodies etc. under the PAO	-	-	-	-
5	Foreign Aided Project (FAP)	-	-	-	-

15.1.4 Classified Summary of Audit Observations

Audit observation amounting to Rs. 23.090 million was raised in this report during the audit of Services and General Administration Department. This amount also includes recoveries of Rs. 15.579 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rs. in million)		
S. No.	Classification	Amount
1	Reported cases of fraud, embezzlement and misappropriation	1.071
2	Tax and duties	12.285
3	Irregularities	3.740
4	Recoveries	3.321
5	Loss	2.673

15.1.5 Brief comments on the status of compliance with PAC directives

S. No.	Audit Report Year	Total Paras	Compliance received	Compliance not received	Percentage of compliance
1	2004-2005	5	-	5	0
2	2009-2010	3	-	3	0
3	2012-2013	12	-	12	0

S. No.	Audit Report Year	Total Paras	Compliance received	Compliance not received	Percentage of compliance
4	2013-2014	7	-	7	0
5	2014-2015	6	-	6	0
6	2016-2017	5	-	5	0
7	2017-2018	19	9	10	47
8	2018-2019	4	-	4	0
9	2019-2020	10	-	11	0
Total		71	9	62	0

Audit Reports have not yet been discussed by the PAC.

15.2 AUDIT PARAS

15.2.1 Doubtful expenditure on repair of government vehicle tundra - Rs. 1.071 million

According to Rule 12(1) of BPPRs, 2014, “The Procuring Agencies shall not split or package a procurement plan with the intention to shorten or facilitate the procurement process and approval mechanism.” Further, as per GFR 10, Vol-I, “Every office incurring or authorizing expenditure from public funds should be guided by high standards of financial propriety and he is expected to exercise the same vigilance in respect of expenditure incurred from public money as a person of ordinary prudence exercise in respect of his own money.”

The Secretary, S&GAD, Balochistan incurred an expenditure of Rs. 1.071 million on account of repair of government vehicle QAY-1077 Tundra during the financial year 2018-19. Expenditure was held doubtful due to the reason that tyres were replaced twice within two months’ period. First time @ Rs. 0.098 million for 04 tyres and second time @ Rs. 0.324 million for four tyres. On physical inspection of the vehicle, it was noticed that the tyres of the vehicle were manufactured in the 22nd week of 2012 and 44th week of 2013. Normal life of a tyre is 03 years. It meant that either the tyres were not replaced or expired tyres were purchased. The vehicle is in a very bad condition and does not show denting painting at all (Pictures were taken). Replaced gearbox was also not found in the dismantled parts. Further, logbooks of the vehicles were also not provided to audit, as detailed below:

(Rs. in million)

S. No.	CB No. and date	Name of firm	Bill No. and date	Vehicle No.	Particulars	Amount
1	40, 08.2018	M/s Haji Abdul Samad Abdul Majeed and Co.	055, Nil	QAY-1077 (Tundra)	Brake Leather	0.048
2	41, 08.2018	M/s Haji Abdul Samad Abdul Majeed and Co.	054, Nil		04 Tyres replacement	0.098
3	70, 10.2018	M/s New Quetta Autos, GC	171, 22.10.2018		04 Tyres R-18 (324,000), Complete gear box replacement, Denting Painting	0.924
Total						1.070

Doubtful expenditure caused loss to the government.

The matter was reported to the department during October 05, 2020 but no reply was received.

In DAC meeting held on December 28, 2020, the DAC decided that an inquiry committee would be constituted by the department to ascertain the facts and details of expenditure incurred.

No progress was intimated till finalization of this report.

Audit recommends that an inquiry be conducted to reveal the facts and outcome of the inquiry be communicated to audit.

15.2.2 Illegal retention of Government residence and recovery - Rs. 3.740 million

According to the Judgment of Supreme Court of Pakistan dated July 31, 201 in human rights case No. 20746 of 2018, in the matter regarding

irregularities in allotment of official residences by different Government departments and S&GAD Order No. CEO/(S&GAD)4-1G-8/4/Islamabad/ 2018 dated September 11, 2018 the Chairman, House Allotment Committee/Secretary, S&GAD cancelled the allotments under the decision of honorable Supreme Court of Pakistan.

Record in Balochistan House, Islamabad for the financial year 2018-19 revealed that a number of Federal Government employees were illegally occupying residences in Bolan Residential Flats, G-8/4, Islamabad in violation of above said orders/decisions of Supreme Court of Pakistan and S&GAD. Moreover, a total amount of Rs. 5.447 million was outstanding against the various residents for different period up to June 30, 2019. Furthermore, Secretary, S&GAD issued various notices for clearance of dues and evacuation of the residences, but after lapse of time, no response was received from the residents.

Non-recovery of dues caused loss to the government.

The matter was reported to the department in January 20, 2020 but no reply was received.

In the DAC meeting held on January 06, 2021, management replied that the department has recovered an amount of Rs. 1.707 million from the residents. Further, GoB issued the new Rules/Procedure of allotment of flats and rent. After implementations of new Rules, the house rent and old outstanding dues will be deducted from salaries. DAC directed to expedite the recoveries of dues from the residents and evacuation of the flats from the illegal occupants under intimation to audit.

No further progress was intimated to audit till finalization of this report.

Audit recommends that recovery be affected from the concerned residents beside, cancellation of their allotments.

15.2.3 Non-realization of rent from the occupants of G-8/4 flats - Rs. 2.673 million

According to Rule 7(I) of Treasury Rules, "All money received by Government officers on account of the revenues shall without undue delay be paid in full in Government account. Money receiving shall not be appropriated

to meet department expenditure.” Further, as per Para 23 of GFR, Vol-I, “Every government officer will be held personally responsible for any loss sustained by the government due to fraud or negligence on his part. The controlling officer must take immediate action for enforcement of such responsibility.” Further, as per GFR 26, Vol-I, “It is the duty of Controlling Officers to see that all sums due to the Government are regularly and promptly assessed, realized and duly credited in the Public Account.”

The Secretary S&GAD, Balochistan failed to recover Rs. 2.673 million during the financial year 2018-19 on account of rents of the G-8/4 flats, which remained outstanding since long against the occupants of the family suites and bachelor’s rooms, causing loss to the Government in disregard of above Rules.

Audit was of the opinion that non-realization of government dues indicated negligence and weak internal controls.

The matter was reported to the department on January 20, 2020 but no reply was received.

In the DAC meeting held on January 06, 2021, the DAC directed the department to recover the dues from defaulters.

No further progress was intimated to audit till finalization of this report.

Audit recommends that recovery be affected from all concerned defaulters.

15.2.4 Non-deduction of house requisition, utility and conveyance allowances - Rs. 3.321 million

According to Finance Divisions OM No. 2(2) P-5/83 dated April 10, 1988 and No. 2(1) R-5/991 dated August 25, 1991, “House Rent Allowance shall not be admissible to a Government servant residing in an accommodation provided by the Government.” Further, as per FD, GoB Notification dated May 18, 1977, “The officers/officials who are availing the transport facility are not entitled to draw Conveyance allowance.”

In Balochistan House, Islamabad, a payment of Rs. 3.321 million was made on account of house requisition, utility and conveyance allowance during the financial year 2019-20 to the officials residing in government accommodations and availing transport facilities in violation of Rules.

Payment of house requisition to those allotted with government accommodations and conveyance allowance to those who were availing government transport facilities was violation of rules.

(Rs. in million)

S. No.	Name of officials	Period/ total months	Total house rent utility and conveyance allowances	Total overpayment
1	Mr. Tariq Jameel, Steno	34	32,587	1.107
2	Mr. Farrukh Wazeer, Assistant	34	32,587	1.107
3	Mr. Naveed Iqbal, Assistant	34	32,587	1.107
Total				3.321

Undue financial help was given to the officers/staff by putting government to loss.

The matter was reported to the department during October 05, 2020 but no reply was received.

In the DAC meeting held on December 28, 2020, the committee directed recovery of the due amount as determined by the Secretary, S&GAD.

No progress was intimated till finalization of this report.

Audit recommends that recovery be affected from the concerned officers/officials and the drawal be stopped.

15.2.5 Non-realization of Government dues - Rs. 12.285 million

As per Para 26 of GFR, Vol-I, "It is the duty of Department Controlling Officers to see that all sums due to the Government are regularly and promptly assessed, realized and duly credited in the Public Account." Further, according to Rule 7(I) of Treasury Rules, "All money received by Government officers on account of revenues, shall without undue delay be paid in full into Government account. Money received shall not be appropriated to meet departmental expenditure."

The Secretary, S&GAD, Balochistan, Quetta did not realize Government revenues amounting to Rs. 12.285 million on account of rents and transport charges from Senior Government Officers and their guests who stayed in the Balochistan House during the financial year 2018-19.

Non-recovery of dues caused loss to the government.

The matter was reported to the department in January 20, 2020 but no reply was received.

In the DAC meeting held on January 06, 2021, the DDO/Comptroller of Balochistan House did not attend the meeting.

No further progress was intimated to audit till finalization of this report.

Audit recommends that recovery be affected from all the concerned defaulters.

Chapter 16

16.1 Miscellaneous Departments

16.1.1 Recovery on account of scholarship - Rs. 30.695 million

According to Faculty Development Projects of Universities Standard Operating Procedures for defaulters, after scholar in breach of agreement category, the following steps will be taken by HEC: “Scholarship shall be cancelled by Executive Director, HEC/ Chairman, NSMC and expense incurred on the scholar plus a penalty up to 25% may be recovered from the scholar.” An official letter will be sent to the scholar/supervisor, Pakistan Embassy/High Commission in the host country, international office of the university, scholar’s parents, guarantor and the surety information them about the state of breach. In case of non-response/ non-compliance by the scholar or his/her guarantor, within next fifteen days of issue of latter, maximum two reminders will be sent consecutively within seven days deadline, the following action will be taken:

- i. The scholar will be declared a having committed breach of the agreement and his/her name and picture shall be placed on the HEC website.
- ii. The case of the scholar will be officially transferred to the Law Officer of HEC.
- iii. Formal legal proceedings will be started against the scholar in the court of law with the approval of Executive Director or his nominee.

The LUAWMS at Uthal awarded foreign scholarship to following faculty members for MS leading to PhD. According to the university record, the faculty members failed to rejoin the University for further service. As a result, they have been declared defaulters.

(Rs.in million)

S. No.	Name of scholar	Discipline	Host institution	Date of return	Amount incurred	25 % penalty
1	Mr. Raza Muhammad	Biological Sciences and	University of West of the Scotland,	30.10.14	12.776	3.194

S. No.	Name of scholar	Discipline	Host institution	Date of return	Amount incurred	25 % penalty
	Bazai, PhD Scholar	Biomedical Sciences	United Kingdom			
2.	Mrs. Kalsoom Jaffar D/O Ghulam Hussain Jaffar	Banking and Finance	Glass Caledonian University, United Kingdom	04.10.14	11.780	2.945
Total					24.556	6.139

Due to non-returning of the above faculty to the University in violation of their contract agreement, a loss of Rs. 30.695 million was sustained by the Government.

The matter was reported to the University on February 07, 2019 but no reply was received.

In the DAC meeting held on October 27, 2020, the University replied that the management has already taken actions, served show cause notices, and was initiating legal proceedings to recover the amount disbursed as well as penalty. The DAC directed for ensuring early recovery.

No progress was intimated till finalization of this report.

Audit recommends that further progress in the light of DAC decision be ensured and recovery including amount of penalty from the person(s) at fault be affected.

16.1.2 Non-deduction of BSTS - Rs. 23.855 million

According to Section 3 of BSTS Act, 2015, “The GoB levied Sales Tax @ 6% on provision of services rendered by engineering consultants and taxable service listed in Second Schedule, which is provided by a person from his office or place of business in Balochistan in the course of an economic activity, including the commencement or termination of the activity.”

In LUAWMS, Uthal, works costing Rs. 397.587 million were awarded to contracting firms for providing services rendered during the financial years 2017-18 and 2018-19. The management was required to deduct BSTS @ 6% on the contracts on each payment but no sales tax was levied. This resulted in non-realization of BSTS amounting to Rs. 23.855 million, as detailed below:

(Rs. in million)

S. No.	Name of scheme	Description	Payment in 2017-18	Payment in 2018-19	Total payment	6% BST
1	M/S Ali Muhammad Amir Muhammad Mandokhail	Construction of Water Resources Management (WRM)	57.506	22.236	79.742	4.785
2	M/S SB Khan and Sons	Faculty of Veterinary and Animal Science	70.043	18.948	88.990	5.339
3	M/S SB Khan and Sons	Construction of Administration Block	59.873	44.528	104.401	6.264
4	M/S Pak Construction and Engineering	Construction of Lecturer's and Assistant Professors Residence	83.188	10.960	94.147	5.649
5	M/S Pak Construction and Engineering	Construction of Boundary Wall	14.737	15.570	30.306	1.818
Total			285.346	112.241	397.587	23.855

Non-realization of BSTS on provision of services by contractors caused a revenue loss to the Government.

The matter was reported to the University on February 07, 2019 but no reply was received.

In the DAC meeting held on October 27, 2020, the management replied that sales tax was not included in the cost of projects. It was not mentioned at the time of calling of rates through tender from bidders. Whereas, BSTS was applicable since the consultant/contractors were providing services to the Government. DAC directed to calculate the BSTS on the amount of services portion paid to the consultant/contractors and affect recovery accordingly.

No further progress was intimated till finalization of this report.

Audit recommends that recovery be affected from the concerned.

16.1.3 Less deduction of BSTS from individual consultants - Rs. 3.445 million

According to Balochistan Finance Act, 2019, Amendment in Balochistan Act No. VI of 2015, (5), "In Second Schedule, against the Tariff Headings 9815.3000, 9815.4000, 9815.5000, 9815.7000 and 9815.8000, in column 3 of rate of tax, for the figure and sign "15%," the figure and sign with words **6% without input tax credit/adjustment** shall be added."

Project Coordinator, Governance and Policy Project (GPP), Balochistan, Quetta incurred an expenditure on account of individual consultants without deduction of BSTS 15% during the financial year 2019-20. The Project Coordinator had deducted 6% BSTS while deduction should have been 15%, as detailed below:

(Rs. in million)

S. No.	Name of employees	Designation	Monthly			Difference	Months paid	Total difference
			Gross pay	BSTS deducted	BSTS to be deducted			
1	Mr. Samiullah Musa	Procurement Specialist	440,000	24,906	57,391	32,486	12	0.390

S. No.	Name of employees	Designation	Monthly			Difference	Months paid	Total difference
			Gross pay	BSTS deducted	BSTS to be deducted			
2	Mr. Abdul Ali	Monitoring and Evaluation Specialist	372,680	21,095	48,610	27,515	12	0.330
3	Mr. Saif-ur-Rehman	ICT-Specialist	372,680	21,095	48,610	27,515	12	0.330
4	Ms. Mehwish Zeeshan	Strategic Communication Specialist	372,680	21,095	48,610	27,515	12	0.330
5	Mr. Hafeez Ullah Amin	Contract Administrator	291,500	16,500	38,022	21,522	12	0.258
6	Ms. Saira Habib	Gender and Learning Specialist	372,680	21,095	48,610	27,515	12	0.330
7	Mr. Abdul Qadir	Governance Specialist	372,680	21,095	48,610	27,515	12	0.330
8	Mr. Rafi Ullah Kakar	Director, SPRC	592,841	33,557	77,327	43,770	12	0.525
9	Mr. Faraz Abdul Ghaffar	Financial Advisor	495,000	28,019	64,565	36,546	4	0.160
10	Mr. Noor Muhammad	Data Analysis Specialist	474,273	26,846	61,862	35,016	3	0.119
11	Mr. Mumraiz Kasai	E-Governance Specialist	474,273	26,846	61,862	35,016	3	0.119
12	Mr. Muhammad Saleem	Development Planning Specialist	522,000	29,547	68,087	38,540	3	0.115
13	Mr. Bashir Ahmed	Financial Analyst (DMU)	363,000	20,547	47,348	26,801	4	0.107
Total								3.443

Non-deduction of BSTS has caused a revenue loss to the Government.

The matter was reported to the department in October, 2020 to which it was replied that GPP, Balochistan has been in compliance with provision of all applicable taxes including BSTS. The individual consultants deployed under GPP Balochistan act in the capacity of Management Consultants as their assigned role and services being delivered. Audit asked for deduction of taxes on prescribed rates.

In the DAC meeting held on November 02, 2020, after detailed discussion, the committee decided to refer the case to BRA for clarification.

No progress was intimated till finalization of this report.

Audit recommends that the clarification be obtained from BRA and recovery be affected.

Annexure 1

MFDAC PARAS
Agriculture and Cooperatives Department

S. No.	AIR Para No.	Para heading	Financial years	Remarks
PRINCIPAL, AGRICULTURE COLLEGE, QUETTA				
1	1	Excess expenditure over the budget allocation - Rs. 0.308 million	2018-19	Excess expenditure
2	4	Non-deduction of income tax - Rs. 0.256 million	2018-19	Non-deduction of income tax
3	9	Non-recovery of house rent allowances - Rs. 0.214 million	2018-19	Non-recovery of house rent
DD, AGRICULTURE EXTENSION, KHUZDAR				
4	3	Expenditure without budget allocation - Rs. 6.654 million	2016-18	Excess expenditure
5	4	Irregular expenditure on entertainment - Rs. 0.498 million	2016-18	Irregular expenditure
6	9	Excess expenditure over budget allocation - Rs. 22.473 million	2016-18	Excess expenditure
DIRECTOR, AGRICULTURE RESEARCH FRUIT, QUETTA				
7	2	Lapse of development and non-development funds due to non-surrendering of anticipated savings - Rs. 8.218 million	2016-19	Lapse of funds
8	4	Irregular award of work without inviting open tenders - Rs. 0.632 million	2016-19	Irregular award of work
AGRICULTURE ENGINEERING, NUSHKI				
9	5	Lapse of budget grant - Rs 1.230 million	2018-19	Lapse of funds
DIRECTOR, VEGETABLE SEED PRODUCTION, QUETTA				
10	2	Non-surrendering of anticipated savings - Rs. 4.392 million	2017-19	Non-surrender
DEPUTY DIRECTOR, AGRICULTURE SEED FARM, JHAL MAGSI				

S. No.	AIR Para No.	Para heading	Financial years	Remarks
11	2	Non-accountal of store items - Rs. 1.300 million	2014-18	Non-accountal
AGRICULTURE ENGINEERING, UTHAL				
12	1	Irregular expenditure on execution of earthwork - Rs. 60.432 million	2018-19	Irregular expenditure
13	2	Unauthorized expenditure on account of POL - Rs. 49.748 million	2018-19	Irregular expenditure
DG, AGRICULTURE EXTENSION, QUETTA				
14	3	Non-surrendering of anticipated savings - Rs. 30.768 million	2018-19	Non-surrender
DEPUTY DIRECTOR, ON-FARM WATER MANAGEMENT, LORALAI AND KOHLU				
15	7	Non-realization of stamp duty - Rs. 0.264 million	2017-18	Non-realization of stamp duty
DIRECTOR GENERAL, AGRICULTURE (RESEARCH), BALOCHISTAN, QUETTA				
16	4	Non-surrendering of anticipated savings - Rs. 4.852 million	2018-19	Non-surrender
DIRECTOR, AGRICULTURE DEVELOPMENT INSTITUTE, KHANPUR, USTA MUHAMMAD				
17	4	Unauthorized expenditure on removal of weeds and bushes - Rs. 0.698 million	2018-19	Irregular expenditure
18	5	Unauthorized expenditure on purchase of urea fertilizer - Rs. 0.885 million	2018-19	Irregular expenditure
DEPUTY DIRECTOR/AGRICULTURE ENGINEER, AGRICULTURE ENGINEERING WORKSHOP, KALAT				
19	2	Non-realization of subsidized charges of bull dozer hours under various schemes and cash works - Rs. 0.840 million	2018-19	Non-realization of subsidized charges of bull dozer hours

S. No.	AIR Para No.	Para heading	Financial years	Remarks
20	5	Irregular expenditure on execution of earthwork - Rs. 58.847 million	2018-19	Irregular expenditure
DEPUTY DIRECTOR, AGRICULTURE ENGINEERING, KHARAN				
21	2	Excess expenditure without budgetary allocation - Rs. 0.611 million	2018-19	Excess expenditure
22	3	Non-deduction of income tax - Rs. 0.212 million	2018-19	Non-deduction of income tax
DEPUTY DIRECTOR, AGRICULTURE COCONUT FARM, UTHAL				
23	2	Unjustified POL expenditure - Rs. 2.018 million	2014-19	Unjustified expenditure
24	3	Unauthorized expenditure - Rs. 0.956 million	2014-19	Unauthorized expenditure
DEPUTY DIRECTOR, ON FARM WATER MANAGEMENT, AWARAN				
25	7	Irregular award of contract - Rs. 64.344 million	2016-19	Irregular award of contract
AGRICULTURE ENGINEERING, MUSAKHEL				
26	2	Irregular expenditure on POL due to improper maintenance of log books - Rs. 34.557 million	2017-18	Irregular expenditure on POL charges
27	4	Irregular expenditure on procurement of spare parts for dozers - Rs. 2.198 million	2017-18	Irregular expenditure
28	6	Improper issuance of purchases parts for dozers - Rs. 1.905 million	2017-18	Improper issuance of parts for dozers

Para No.	Name of department	Audit observation	Financial year
12	LIEDA	Unauthorized expenditure without calling open tender - Rs. 0.933 million	2018-19
10	LIEDA	Irregular expenditure on account of consultancy - Rs. 3.103 million	2018-19

Board of Revenue

S. No.	Para No.	Para heading	Financial years	Remarks
Deputy Commissioner, Naseerabad				
1	3	Unauthorized/irregular issuance of land mutation for O&M colony for Kachhi Canal Project - Rs 2.613 million	2018-19	Unauthorized
2	4	Unauthorized expenditure on account of sports activities - Rs 1.250 million	2018-19	Unauthorized
Deputy Commissioner, Sherani				
3	1	Non-surrendering of saving - Rs. 2.890 million	2018-19	Irregular
4	2	Non-accountal of goods in stock registers - Rs. 2.700 million	2018-19	Irregular
Deputy Commissioner, Kalat				
5	2	Excess expenditure above the budget grant - Rs. 5.269 million	2018-19	Irregular
6	3	Irregular issuance of cheques in the name of DDO - Rs. 3.189 million	2018-19	Irregular
7	4	Non-maintenance of record of uniform items - Rs. 2.548 million	2018-19	Irregular
8	5	Irregular expenditure on account of repair of Levies check posts - Rs. 0.840 million	2018-19	Irregular
Deputy Commissioner, Lasbela				
9	1	Less deduction of income tax on supplies - Rs. 0.237 million	2018-19	Recovery
10	4	Less deduction of BSTS at source from inactive taxpayers - Rs. 0.487	2018-19	Recovery
11	6	Non-accountal of POL utilization - Rs. 2.554 million	2018-19	Non-maintenance
12	7	Unauthorized/irregular and doubtful expenditure on repair of building - Rs. 3.997 million	2018-19	Unauthorized
13	8	Irregular/doubtful expenditure on purchase of uniforms - Rs. 1.171 million	2018-19	Irregular

S. No.	Para No.	Para heading	Financial years	Remarks
14	9	Less deduction of income tax on services - Rs. 0.305 million	2018-19	Recovery
15	10	Irregular and doubtful expenditure on repair of vehicles - Rs. 1.500 million	2018-19	Irregular
16		Irregular expenditure without calling open tender - Rs. 8.276 million	2018-19	Irregular
Deputy Commissioner, Chaghi				
16	1	Excess expenditure above the budget grant - Rs. 6.088 million	2018-19	Irregular
17	3	Working strength in excess than the sanctioned strength	2018-19	Irregular
18	4	Irregular issuance of cheques in the name of DDO - Rs. 4.395 million	2018-19	Irregular
19	5	Irregular expenditure on repair of furniture beyond delegated powers - Rs. 0.431 million	2018-19	Irregular
Deputy Commissioner, Khuzdar				
20	2	Working strength in excess than the sanctioned strength	2018-19	Irregular
21	3	Irregular issuance of cheques in the name of DDO - Rs. 22.887 million	2018-19	Irregular
22	4	Non-accountal of stock and store items - Rs. 0.882 million	2018-19	Non-maintenance
Deputy Commissioner, Musakhel				
23	2	Non-deduction of GST from suppliers - Rs. 0.328 million	2017-18	Recovery
24	3	Irregular expenditure on repair of vehicles - Rs. 1.817 million and loss to the Government due to non-deduction of BST and income tax - Rs 0.408 million	2017-18	Irregular
25	4	Non-production of record of development schemes of Musakhel Town - Rs 130 million	2017-18	Irregular
Deputy Commissioner, Jhal Magsi				

S. No.	Para No.	Para heading	Financial years	Remarks
26	4	Non-accountal of store items - Rs. 1.249 million	2018-19	Non-maintenance
Deputy Commissioner, Gawadar				
27	2	Lapse of budget grant - Rs. 3.887 million	2018-19	Irregular
28	4	Irregular expenditure on VVIP visits - Rs. 8.452 million	2018-19	Irregular
Deputy Commissioner, Washuk				
29	2	Irregular expenditure on repair of building - Rs. 6.700 million	2018-19	Irregular
30	4	Non-deduction of BSTs - Rs. 0.107 million	2018-19	Recovery
Deputy Commissioner, Sohbatpur				
31	1	Non-maintenance of permanent (Dead) stock register for purchases - Rs. 2.946 million	2018-19	Non-maintenance
32	2	Payment without GST invoice - Rs. 0.318 million	2018-19	Irregular
33	7	Execution of development schemes without technical sanction - Rs. 2.473 million	2018-19	Irregular
34	8	Less deduction of BSTS on execution of work from the contractor - Rs. 0.734 million	2018-19	Recovery
35	9	Anticipated savings not surrendered - Rs. 1.098 million	2018-19	Irregular
36	10	Non-submission of detailed account of secret service fund - Rs. 0.200 million	2018-19	Irregular
37	14	Non-maintenance of logbooks - Rs. 3.457 million	2018-19	Non-maintenance
Deputy Commissioner, Killa Abdullah				
38	1	Non-launching of information system	2018-19	Irregular
39	2	Non-recovery of BST on account of entertainment and exhibition charges - Rs. 0.277 million	2018-19	Recovery
40	4	Irregular expenditure without preparation of completion reports - Rs. 3.940 million	2018-19	Irregular

S. No.	Para No.	Para heading	Financial years	Remarks
41	8	Excess expenditure than provision of budget - Rs. 4.277 million	2018-19	Irregular
42	9	Non-surrendering of anticipated savings - Rs. 30.305 million	2018-19	Irregular
Deputy Commissioner, Loralai				
43	1	Non-launching of information system	2018-19	Irregular
44	4	Unauthorized expenditure on clearance of previous year liability - Rs. 0.152 million	2018-19	Unauthorized
Deputy Commissioner, Kachhi at Dhadar				
45	2	Unauthorized withdrawal of conveyance allowance and house rent - Rs. 0.265 million	2018-19	Unauthorized
46	3	Irregular payment on account of utility charges for residential Bungalow - Rs. 0.318 million	2018-19	Irregular
47	4	Less/non-deduction of BSTS - Rs. 1.023 million	2018-19	Recovery
48	6	Unauthorized irregular expenditure on purchases of ration items - Rs. 4.311 million	2018-19	Unauthorized
49	7	Irregular expenditure on purchase of uniform - Rs. 2.473 million	2018-19	Irregular
50	8	Unauthorized and irregular expenditure on the purchase of furniture and durable goods - Rs. 1.990 million	2018-19	Unauthorized
51	9	Irregular expenditure on sports items by splitting up - Rs. 1.846 million	2018-19	Irregular
52	11	Unjustified expenditure on VIPs - Rs. 0.360 million	2018-19	Irregular
53	12	Non-surrender of savings - Rs. 14.521 million	2018-19	Irregular
Deputy Commissioner, Kharan				
54	1	Irregular expenditure on repair of building - Rs. 6.900 million	2018-19	Irregular
55	7	Irregular expenditure without obtaining acknowledgment of payment - Rs. 1.702 million	2018-19	Irregular

S. No.	Para No.	Para heading	Financial years	Remarks
56	10	Non-production of record - Rs. 1.499 million	2018-19	Non-production
Deputy Commissioner, Sibi				
57	3	Irregular expenditure without preparation of completion reports - Rs. 2.383 million	2018-19	Irregular
58	4	Non-submission of detailed account - Rs. 2.700 million	2018-19	Irregular
59	6	Unauthorized drawal of cheques in the name of DDO - Rs. 1.476 million	2018-19	Unauthorized
60	7	Unauthorized expenditure - Rs. 1.087 million	2018-19	Unauthorized
Deputy Commissioner, Mastung				
61	2	Irregular expenditure on repair of transport - Rs. 1.464 million	2018-19	Irregular
62	3	Working strength in excess of sanctioned strength	2018-19	Irregular
63	6	Irregular expenditure on purchase of uniforms - Rs. 0.499 million	2018-19	Irregular
64	7	Irregular expenditure of Grant-in-aid - Rs. 0.500 million	2018-19	Irregular
Deputy Commissioner, Pishin				
65	1	Enrolment of excess staff in different cadres	2018-19	Irregular
66	2	Unauthorized expenditure on account of entertainment charges - Rs. 1.065 million and non-recovery BSTS thereof - Rs. 0.152 million	2018-19	Unauthorized
67	3	Irregular expenditure on account of repair of vehicles - Rs. 1.671 million	2018-19	Irregular
68	4	Irregular expenditure on purchase of other items - Rs. 1.719 million	2018-19	Irregular
69	7	Non-registration of government vehicles	2018-19	Irregular
70	9	Non-surrendering of anticipated savings - Rs. 6.892 million	2018-19	Irregular
Deputy Commissioner, Quetta				
71	8	Irregular/unjustified payment to MDS super mart - Rs. 0.716 million	2018-19	Irregular

S. No.	Para No.	Para heading	Financial years	Remarks
72	12	Illegal retention/utilization of government money - Rs. 400 million	2018-19	Irregular
73	13	Irregular/unjustified lapse of government funds - Rs. 100 million	2018-19	Irregular
Deputy Commissioner, Harnai				
74	5	Unauthorized/doubtful expenditure on account of entertainment charges - Rs. 0.930 million	2018-19	Unauthorized
75	8	Excess expenditure than the budget allocation - Rs. 1.380 million	2018-19	Irregular
Deputy Commissioner, Barkhan				
76	2	Irregular issuance of cheques in the name DDO - Rs. 5.931 million	2018-19	Irregular
Deputy Commissioner, Musakhel				
77	6	Non-accountal of store items - Rs. 0.799 million	2018-19	Non-maintenance
Deputy Commissioner, Kohlu				
78	2	Non-deduction of income tax - Rs. 0.208 million	2018-19	Recovery
79	3	Irregular expenditure on purchase uniform - Rs. 3.717 million	2018-19	Irregular
80	4	Irregular repair and maintenance of levies thanas buildings - Rs. 2.226 million	2018-19	Irregular
Commissioner, Mekran Division				
81	3	Non-submission of detailed account of secret service - Rs. 1 million	2018-19	Irregular
82	8	Non-deduction of BST on repair of work - Rs. 0.163 million	2018-19	Recovery
83	9	Non-deduction of income tax - Rs. 0.093	2018-19	Recovery

S. No.	Para No.	Para heading	Financial years	Remarks
		million		
84	13	Non-obtaining of performance security - Rs. 10.999 million	2018-19	Irregular
85	14	Non-deduction of BSTS - Rs. 1.925 million	2018-19	Recovery
86	15	Overpayment to contractor due to allowing inadmissible premium - Rs. 1.607 million	2018-19	Recovery
87	16	Execution of works with TS - Rs. 138.614 million	2018-19	Irregular
88	17	Overpayment to contractor due to allowing excess thickness of road mix - Rs. 1.915 million	2018-19	Recovery
89	18	Unauthorized expenditure on NSR item - R. 1.465 million	2018-19	Unauthorized
Commissioner, Quetta				
90	1	Unauthorized expenditure on repair of buildings and roads - Rs. 5.909 million	2018-19	Unauthorized
91	3	Irregular doubtful expenditure on account of students assistance for country study tour - Rs. 1 million	2018-19	Irregular
92	7	Non-deduction of conveyance allowance - Rs. 0.185 million	2018-19	Recovery
93	8	Expenditure without budget allocation - Rs. 0.450 million	2018-19	Irregular
94	9	Non-conducting of internal check and physical verification of stores/stock	2018-19	Irregular

S. No.	Para No.	Para heading	Financial years	Remarks
95	12	Irregular expenditure on bituminous work - Rs. 157.395 million	2018-19	Irregular
96	14	Less recovery of mobilization advances - Rs. 56.763 million	2018-19	Recovery
97	16	Less deduction of security deposit - Rs. 7.904 million	2018-19	Irregular
98	17	Unauthorized expenditure on payment for clock tower - Rs. 5.500 million	2018-19	Unauthorized
99	19	Irregular payment of contractor bill without recording detailed measurement in MB - Rs. 164.120 million	2018-19	Irregular
100	20	Non-obtaining of performance security - Rs. 43.685 million	2018-19	Irregular
Commissioner, Naseerabad at Dera Murad Jamali				
101	1	Irregular expenditure on grant-in-aid for disaster relief and calamities - Rs. 5.339 million	2018-19	Irregular
102	2	Unauthorized expenditure on repair of buildings - Rs. 3.983 million	2018-19	Unauthorized
103	6	Unauthorized expenditure on repair of roads highways - Rs. 1.950 million	2018-19	Unauthorized
104	8	Non-deduction of BSTS - Rs. 0.254 million	2018-19	Recovery
105	9	Unauthorized expenditure on purchases and repairs - Rs. 7.352 million	2018-19	Unauthorized
106	11	Irregular expenditure on bituminous work - Rs. 0.997 million	2018-19	Irregular

S. No.	Para No.	Para heading	Financial years	Remarks
107	12	Revenue loss due to non-deduction of income tax - Rs. 0.470 million	2018-19	Recovery
108	14	Lapse of budget grant - Rs. 5.190 million	2018-19	Irregular
Commissioner, Sibi				
109	1	Doubtful expenditure on account of repair of building and roads - Rs. 12.200 million and recovery of overpayment - Rs. 2.395 million	2018-19	Recovery
110	5	Irregular payment to avoid lapse of funds - Rs. 3.201 million	2018-19	Irregular
111	6	Overpayment due to allowing excess premium - Rs. 0.236 million	2018-19	Recovery
112	7	Overpayment due to allowing excess premium - Rs. 0.936 million	2018-19	Recovery
113	8	Overpayment due to allowing higher rate - Rs. 0.324 million	2018-19	Recovery
114	9	Overpayment due to allowing inadmissible item of work - Rs. 1.920 million	2018-19	Recovery
115	10	Overpayment due to allowing higher rate - Rs. 1.403 million	2018-19	Recovery
Commissioner, Kalat Division at Khuzdar				
116	1	Execution of development works without technical sanction - Rs. 143.825 million	2018-19	Irregular
117	3	Overpayment due to non-utilization of available earth - Rs. 0.188 million	2018-19	Recovery
118	4	Payment without GST invoice - Rs. 3.321	2018-19	Irregular

S. No.	Para No.	Para heading	Financial years	Remarks
		million		
119	5	Non-reconciliation of expenditure - Rs. 560.282 million	2018-19	Irregular
120	9	Unauthorized abstract drawal without obtaining approval from the competent authority - Rs. 7.500 million	2018-19	Unauthorized
121	4	Irregular drawal of land compensation cost - Rs. 3,523.487 million	2018-19	Irregular
122	8	Irregular retention of public money in unauthorized bank accounts - Rs. 8,804.038 million	2018-19	Irregular

Communication Works Physical Planning and Housing (Roads)

(Rs. in million)

S. No.	Name of Office	Financial year	Title of Para	Amount	Nature of Para
1	CWPP&H (Roads) Division, Sherani	2018-19	Irregular expenditure on making of earthen embankment	4.700	Irregular
2	CWPP&H (Roads) Division, Sherani	2018-19	Irregular expenditure without testing of cores	9.400	Irregular
3	CWPP&H (Roads) Division, Sherani	2018-19	Irregular payment due to non-utilization of available earth	1.230	Irregular
4	CWPP&H (Roads) Division, Ziarat	2018-19	Revenue loss due to non-deduction of income tax	0.738	Overpayment/recovery
5	CWPP&H (Roads) Division, Ziarat	2018-19	Irregular/doubtful expenditure on base/sub-base and bituminous work	71.050	Irregular
6	CWPP&H (Roads) Division, Ziarat	2018-19	Non-maintenance of material at site register	9.802	Irregular
7	CWPP&H (Roads) Division, Ziarat	2018-19	Irregular expenditure on removal of debris and repair of roads work	0.792	Irregular
8	CWPP&H (Roads) Division, Ziarat	2018-19	Irregular enhancement of contract agreement	11.780	Irregular
9	CWPP&H (Roads) Division, Jhal Magsi	2018-19	Irregular expenditure due to non-conducting of laboratory tests of compaction	77.848	Irregular
10	CWPP&H (Roads) Division, Killa Abdullah	2018-19	Unauthorized lapse of development funds	63.819	Unauthorized
11	CWPP&H (Roads) Division, Killa Abdullah	2018-19	Non-deduction of BSTS from contractors	0.150	Overpayment/recovery

S. No.	Name of Office	Financial year	Title of Para	Amount	Nature of Para
12	CWPP&H (Roads) Division, Killa Abdullah	2018-19	Irregular expenditure on bituminous work	33.860	Irregular
13	CWPP&H (Roads) Division, Kech	2018-19	Overpayment due to non-deducting of stacking charges	0.101	Overpayment/recovery
14	CWPP&H (Roads) Division, Naseerabad	2018-19	Overpayment on account of lead carriage charges	1.076	Irregular
15	CWPP&H (Roads) Division, Naseerabad	2018-19	Non-conducting of compaction test report	135.151	Irregular
16	CWPP&H (Roads) Division, Washuk	2018-19	Overpayment due to allowing inadmissible item of work	1.280	Irregular
17	CWPP&H (Roads) Division, Harnai	2018-19	Overpayment due to non-adjustment of available earth	6.586	Overpayment/recovery
18	CWPP&H (Roads) Division, Harnai	2018-19	Unauthorized payment of mobilization advance	45	Unauthorized
19	CWPP&H (Roads) Division, Harnai	2018-19	Overpayment due to wrong calculation	1.005	Unauthorized
20	CWPP&H (Roads) Division, Harnai	2018-19	Irregular expenditure due to non-conducting of laboratory compaction tests of earthwork	12.111	Irregular
21	CWPP&H (Roads) Division, Harnai	2018-19	Irregular expenditure due to non-conducting of laboratory compaction test of bituminous work	4.916	Irregular
22	CWPP&H (Roads) Division, Loralai	2018-19	Irregular expenditure on NSR without rate analysis	5.755	Irregular

S. No.	Name of Office	Financial year	Title of Para	Amount	Nature of Para
23	CWPP&H (Roads) Division, Mastung	2018-19	Overpayment due to non-deduction of stacking charges	0.471	Overpayment/recovery
24	CWPP&H (Roads) Division, Zhob	2018-19	Overpayment due to non-utilization of available earth	1.036	Unauthorized
25	CWPP&H (Roads) Division, Zhob	2018-19	Advance payment due to allowing excess quantity	1.045	Unauthorized
26	CWPP&H (Roads) Division, Zhob	2018-19	Unjustified payment due to non-utilization of available earth	4.462	Unauthorized
27	CWPP&H (Roads) Division, Panjgur	2018-19	Wasteful expenditure on construction of different incomplete works	95.109	Unauthorized
28	CWPP&H (Roads) Division, Panjgur	2018-19	Irregular execution of works without feasibility study report (PC II)	367.707	Irregular
29	CWPP&H (Roads) Division, Panjgur	2018-19	Award of contracts without obtaining performance security	29.704	Irregular
30	CWPP&H (Roads) Division, Panjgur	2018-19	Unlawful payment without preparing cash voucher	441.384	Irregular
31	CWPP&H (Roads) Division, Chaghi	2018-19	Overpayment due to non-utilization of available earth	1.134	Unauthorized

Communication Works Physical Planning and Housing (Buildings)
(Rs. in million)

S. No.	Name of office	Financial year	Title of Para	Amount	Nature of Para
1	CWPP&H (Buildings) Division, Naseerabad	2018-19	Unauthorized/illegal execution of work	4	Unauthorized
2	CWPP&H (Buildings) Division, Naseerabad	2018-19	Non-preparation of complete certificates	7.520	Irregular
3	CWPP&H (Buildings) Maintenance Division II, Quetta	2018-19	Overpayment due to less deduction of previous work done	5	Overpayment /recovery
4	CWPP&H (Buildings) Division, Killa Abdullah	2018-19	Unauthorized lapse of development funds	13.547	Unauthorized
5	CWPP&H (Buildings) Division, Killa Abdullah	2018-19	Irregular expenditure on various schemes owing to procedural flaws	20.550	Irregular
6	CWPP&H (Buildings) Division, Killa Abdullah	2018-19	Non-maintenance of record	-	Irregular
7	CWPP&H (Buildings) Division, Killa Abdullah	2018-19	Unauthorized expenditure without signing of agreement	223.474	Unauthorized
8	CWPP&H (Buildings) Division, Duki	2018-19	Non-reconciliation of expenditure	27.260	Irregular
9	CWPP&H (Buildings) Division, Sohbatpur	2018-19	Irregular expenditure due to non-conducting of compaction tests	1.065	Irregular
10	CWPP&H (Buildings) Division, Washuk	2018-19	Drawal of contractor bills through superficial record entries	5.360	Unauthorized
11	CWPP&H (Buildings) Division, Kharan	2018-19	Irregular expenditure without administrative approval	31.645	Irregular

S. No.	Name of office	Financial year	Title of Para	Amount	Nature of Para
12	CWPP&H (Buildings) Division, Chaghi	2018-19	Non-preparation of completion reports	77.225	Irregular
13	CWPP&H (Buildings) Division, Chaghi	2018-19	Irregular expenditure on steel reinforcement	8.529	Irregular

Public Health Engineering, Department

S. No.	Financial year/ AIR Para	Description	Remarks
PHE Division, Loralai			
1	2018-19/ AIR-5	Overpayment due to non-deduction of GST - Rs. 3.358 million	Overpayment
PHE Division, Barkhan			
2	2018-19/ AIR-9	Irregular expenditure due to non-recording of detailed measurement - Rs. 2.112 million	Irregular
PHE Division, Naseerabad			
3	2018-19/ AIR-1	Overpayment due to non-deduction of GST - Rs. 0.569 millions	Overpayment
4	2018-19/ AIR-2	Irregular payment to purification plant operators - Rs. 6.326 million	Irregular
5	2018-19/ AIR-2	Pending liabilities of (Electricity charges of water supply Schemes) QESCO - Rs. 40.653 million	Irregular
6	2018-19/ AIR-7	Non-realization of stamp duty - Rs. 0.087 million	Recovery
PHE Division, Zhob			
6	2018-19/ AIR-4	Irregular payment to purification plant operators - Rs. 3.960 million	Irregular
PHE Division, Kohlu			
7	2018-19/ AIR-5	Irregular expenditure due to non-recording of detailed measurement - Rs. 4.175 million	Irregular

S. No.	Financial year/ AIR Para	Description	Remarks
8	2018-19/ AIR-8	Non-maintenance of valuable goods in tool and plants register - Rs. 5.885 million	Irregular
PHE Division, Sohbatpur			
9	2018-19/ AIR-3	Non-realization of stamp duty - Rs. 0.119 million	Recovery
PHE Division, Ziarat			
10	2018-19/ AIR-4	Irregular payment to purification plant operators -Rs. 0.990 million	Irregular
PHE Division, Kachi at Dhadar			
11	2018-19/ AIR-4	Inadmissible payment by allowing premium on NSR items - Rs. 0.173 million	Recovery
PHE Division, Sherani			
12	2018-19/ AIR-2	Non-maintenance of valuable goods in tool and plants register - Rs. 13.150 million	Irregular
PHE Division, Gwadar			
13	2018-19/ AIR-1	Irregular expenditure on supply of water made by the contractor - Rs. 956.989 million	Irregular
PHE Division, Lasbela			
14	2018-19/ AIR-1	Irregular expenditure on supply of water made by the contractor - Rs. 18.827 million	Irregular
PHE Division, Kalat			
15	2018-19	Irregular expenditure on earthwork excavation - Rs. 2.411 million	Irregular

Police

Para No.	Name of office	Para	Financial year
2	Senior Superintendent of Police, Counter Terrorism Department, Quetta	Misclassification/irregular expenditure without open tender - Rs. 23.687 million	2017-18
1	Inspector General, of Police, Balochistan, Quetta	Advance payment on account of purchase of vehicles and motorcycles - Rs. 58.123 million	2017-18
3	Inspector General, of Police, Balochistan, Quetta	Irregular expenditure on account of purchase of arms and ammunition - Rs. 13.575 million	2017-18
2	Chief Pilot Provincial Police, Flight Balochistan, Quetta	Non-obtaining of Sales Tax Return - Rs. 0.786 million	2017-18
11	Inspector General, of Police, Balochistan, Quetta	Illegal retention of government money - Rs. 0.500 million	2017-18
24	Inspector General, of Police, Balochistan, Quetta	Non-obtaining of Proof of 17% GST - Rs. 11.788 million	2017-18
4	Capital City Police Officer, Quetta	Non-deduction of income tax - Rs. 0.423 million	2017-18
2	District Police Officer, Jaffarabad	Non-surrender of savings - Rs. 320.074 million	2017-18
7	Inspector General, of Police, Balochistan, Quetta	Overpayment due to allowing higher rate than market rate - Rs. 1.600 million	2017-18
9	Inspector General, of Police, Balochistan, Quetta	Irregular expenditure on installation of CCTV cameras - Rs. 1.187 million	2017-18
17	Inspector General, of Police, Balochistan, Quetta	Irregular payment on account of Supply of anti-	2017-18

Para No.	Name of office	Para	Financial year
		riot equipment - Rs. 17.040 million	
3	Senior Superintendent of Police, Counter Terrorism Department, Quetta	Irregular expenditure on purchase of vehicles - Rs. 143.615 million	2017-18
2	Inspector General, of Police, Balochistan, Quetta	Irregular expenditure on supply and installation of Jammer/security devices - Rs. 53.968 million	2017-18
4	Inspector General, of Police, Balochistan, Quetta	Irregular expenditure on purchase of machinery and equipment - Rs. 30.591 million	2017-18
8	SSP Telecommunication, Quetta,	Inadmissible drawal of special compensatory allowance - Rs. 10.269 million	2017-18
3	Chief Pilot Officer, Aviation Flight Balochistan Police, Quetta	Irregular/unjustified payment on account of purchase of Air Craft spare parts - Rs. 4.053 million	2017-18
1	Inspector General, of Police, Balochistan, Quetta	Non-delivery of arms/ammunition by Pakistan Wah Factory - Rs. 27.928 million	2017-18

Health Department

S. No	Para No.	Para heading	Financial year	Remarks
ADDITIONAL DIRECTOR, MEDICAL STORE DEPOT				
1	3	Limitation of scope due to non-production of record	2018-19	Non-production
2	5	Irregular award of contract for the supply of drugs and medicines - Rs. 81.010 million	2018-19	Irregular
3	8	Non-obtaining of performance security from the firms - Rs. 46.765 million	2018-19	Performance security
DHO, KECH AT TURBAT				
4	1	Non-receipt of medicines - Rs. 5.118 million	2018-19	Non-receipt
5	2	Lapse of budget grant - Rs. 27.832 million	2018-19	Lapse of budget
PRINCIPAL, MEKRAN MEDICAL COLLEGE, TURBAT				
6	4	Irregular payment of rent of building hired for students hostels - Rs. 1.260 million	2018-19	Irregular expenditure
DHO, LASBELLA				
7	3	Expenditure in excess/without allocation of budget - Rs. 24.267 million	2015-18	Excess expenditure
SECRETARY, GOVERNMENT OF BALOCHISTAN, HEALTH DEPARTMENT, QUETTA				
8	1	Excess expenditure over budget grant - Rs. 0.597 million	2018-19	Excess Expenditure
9	2	Irregular expenditure on repair of vehicles - Rs.1.124 million	2018-19	Irregular expenditure
10	3	Irregular expenditure of Grant-in-aid - Rs. 5 million	2018-19	Irregular expenditure
DHO, UTHAL				
11	2	Expenditure without budget allocation - Rs. 8.718 million	2018-19	Non-provision

12	5	Anticipated savings not surrendered - Rs. 0.513 million	2018-19	Non-surrender
PC, MNCH, Quetta				
13	3	Irregular expenditure on bill boards - Rs. 1.326 million	2017-19	Irregular
14	5	Execution of works without technical sanctions - Rs. 69.492 million	2017-19	Irregular
DHO, KHARAN				
15	3	Less supply of medicines by MSD - Rs. 5.880 million	2018-19	Less supply
MEDICAL SUPERINTENDENT, MOHTARAMA SHAHEED BENAZIR BHUTTO HOSPITAL, QUETTA				
16	2	Non-supply of CR-X-Ray machine by the MSD - Rs. 2.610 million	2018-19	Non-supply
17	3	Non-maintenance of cashbook - Rs. 22.443 million	2018-19	Non- maintenance
18	4	Non-functioning of Lifts and Central Heating System	2018-19	Non-functioning
19	6	Non-surrendering of anticipated savings - Rs. 68.223 million	2018-19	Non-surrender
PROVINCIAL COORDINATOR, PREVENTION AND CONTROL OF BLINDNESS PROGRAM, BALOCHISTAN, QUETTA				
20	1	Non-achievements of targets due to less release of budget	2018-19	Non- achievement
21	2	Irregular/doubtful expenditure on training - Rs. 1.330 million	2018-19	Irregular expenditure
MS, HELPER EYE HOSPITAL, QUETTA				
22	2	Drawal of pay in excess of sanctioned strength - Rs. 5.580 million	2018-19	Excess strength
MEDICAL SUPERINTENDENT, DIVISIONAL HEADQUARTER HOSPITAL, SIBI				
23	3	Non-supply of medicines within stipulated time by medical store depot - Rs. 19.849 million	2018-19	Non-supply
DHO, GAWADAR				
24	1	Non-receipt of medicines - Rs. 12.858 million	2018-19	Non-receipt

MEDICAL SUPERINTENDENT, DIVISIONAL HEADQUARTER HOSPITAL, HARNAI				
25	4	Excess expenditure than provision of budget - Rs. 17.832 million	2017-19	Excess expenditure
26	5	Non-surrendering of anticipated savings - Rs. 1.422 million	2017-19	Non-surrender
MEDICAL SUPERINTENDENT, DISTRICT HEAD QUARTER HOSPITAL, UTHAL				
27	1	Irregular excess expenditure without provision of budget allocation - Rs. 21.364 million	2014-19	Excess expenditure
28	2	Over casted amount of indent - Rs. 3.186 million	2014-19	Excess expenditure
29	4	Non-surrendering anticipated savings - Rs. 1.294 million	2014-19	Non-surrender
DG, HEALTH SERVICES, BALOCHISTAN, QUETTA				
30	1	Non-collection of License Fee - Rs. 0.140 million	2017-19	Non-collection
31	2	Irregular payment of Grant-in-aid - Rs. 75 million	2017-19	Irregular expenditure
32	4	Non-surrendering of anticipated savings - Rs. 368.225 million	2017-19	Non-surrender
33	5	Irregular expenditure on account of POL - Rs. 0.704 million	2017-19	Irregular expenditure
DHO, KILLA ABDULLAH				
34	5	Excess expenditure than provision of budget - Rs. 9.783 million	2018-19	Excess expenditure
35	6	Non-surrendering of anticipated savings - Rs. 0.704 million	2018-19	Non-surrender
MEDICAL SUPERINTENDENT, DIVISIONAL HEADQUARTER HOSPITAL, KILLA ABDULLAH				
36	1	Non-receipt of medicines from MSD - Rs. 8.984 million	2018-19	Non supply
37	4	Non-production of important accounts record	2018-19	Non-production
MEDICAL SUPERINTENDENT, FATIMA JINNAH GENERAL AND CHEST HOSPITAL, QUETTA				
38	1	Working strength in excess than sanctioned strength	2018-19	Excess strength

39	2	Excess expenditure over budget grant - Rs. 2.737 million	2018-19	Excess expenditure
40	3	Non-reconciliation of monthly expenditure - Rs. 339.990 million	2018-19	Non-reconciliation
41	5	Irregular expenditure on purchase of vehicle - Rs. 2 million	2018-19	Irregular expenditure
42	6	Irregular expenditure on purchase of medicines - Rs. 1.013 million	2018-19	Irregular expenditure
43	7	Irregular purchase of laboratory items without inviting open tenders - Rs. 12.969 million	2018-19	Irregular expenditure
44	8	Irregular advance payment for purchase of laboratory and other store items - Rs. 0.889 million	2018-19	Irregular expenditure
45	9	Irregular purchase of other store items without inviting open tenders - Rs. 0.749 million	2018-19	Irregular expenditure
46	10	Non-maintenance of record of medicines and laboratory items - Rs. 0.963 million	2018-19	Non-maintenance
MS, PROVINCIAL SANDEMAN HOSPITAL, QUETTA				
47	2	Huge expenditure on procurement without safeguarding government against quoting of exorbitant market rates - Rs. 180.457 million	2018-19	Irregular
48	4	Irregular award of contract for the supply of drugs and medicines - Rs. 28.090 million	2018-19	Irregular expenditure
49	5	Non-conducting of drug testing verification procedures of medicines - Rs. 180.457 million	2018-19	Lab test
50	8	Non-recovery of government money - Rs. 0.762 million	2018-19	Non-recovery
51	11	Irregular award of contract on account of printing and publication - Rs. 1.637 million	2018-19	Irregular expenditure
52	12	Enrolment of excess staff in different cadres	2018-19	Excess strength

53	13	Irregular award of contract cafeteria	2018-19	Irregular expenditure
54	15	Unauthorized unjustified award of contract - Rs. 14.500 million	2018-19	Unauthorized expenditure
55	18	Doubtful expenditure on purchase of injections - Rs. 16.270 million	2018-19	Doubtful expenditure
56	03	Lapse of budget on purchase of medicines	2018-19	Lapse of budget grant
PC, EPI				
57	1	Excess expenditure without budget provisions - Rs. 0.310 million	2018-19	Excess expenditure
58	2	Non-surrendering of anticipated savings - Rs. 4.270 million	2018-19	Non-surrender
59	5	Irregular expenditure on account of POL charges - Rs. 43.350 million	2018-19	Irregular expenditure
60	6	Irregular expenditure on account of repair of vehicles - Rs. 10.520 million	2018-19	Irregular expenditure
PRINCIPAL, LORALAI MEDICAL COLLEGE				
61	3	Unauthorized expenditure on account of others - Rs. 0.904 million	2017-19	Unauthorized expenditure
62	5	Excess expenditure than provision of budget - Rs. 178.560 million	2017-19	Excess expenditure
63	6	Non-surrendering of anticipated savings - Rs. 111.329 million	2017-19	Non-surrender
DHQ, JAFFARABAD				
64	2	Illegal allotment of health department bungalow to AC and non-provision of record to justify deduction of HRA and maintenance charges - Rs. 1.710 million	2018-19	Illegal allotment
65	3	Irregular excess expenditure without provision of budget allocation - Rs. 13.331 million	2018-19	Irregular expenditure
	4	Less supply of medicines - Rs. 4.972 million	2018-19	Less supply

DHQ, Kohlu				
66	1	Unauthorized drawal of inadmissible allowances - Rs. 2.985 million	2018-19	Unauthorized expenditure
NATIONAL PROGRAM FOR FAMILY PLANNING AND PRIMARY HEALTHCARE, BALOCHISTAN, QUETTA				
67	1	Irregular wasteful expenditure on appointment of LHWs - Rs. 10.080 million	2018-19	Irregular expenditure
68	2	Slow progress on the program target and non-purchase of medicines contraceptives and non-drug items - Rs. 400 million	2018-19	Slow progress
69	4	Missing original cheques	2018-19	Missing documents
AIDS CONTROL PROGRAM, QUETTA				
70	1	Excess expenditure over budget provisions - Rs. 1.200 million	2018-19	Excess expenditure
71	2	Non-surrendering of anticipated savings - Rs. 2.256 million	2018-19	Non-surrender
DHO, KACHHI at DHADDAR				
72	5	Anticipated savings not surrendered - Rs. 2.760 million	2018-19	Non-surrender
ED, SHEIKH KHALIFA BIN ZAID HOSPITAL QUETTA				
73	1	Drawal of pay in excess of sanctioned strength - Rs. 21.250 million	2018-19	Excess expenditure
74	2	Unauthorized drawal of pay without sanctioned post - Rs. 47.999 million	2018-19	Unauthorized expenditure
75	3	Expenditure without allocation budget of contract staff - Rs. 4.094 million	2018-19	Unauthorized expenditure
76	5	Burden on government exchequer- Rs. 8.947 million	2018-19	Unauthorized expenditure
77	7	Unauthorized attachment of hospital employees staff	2018-19	Unauthorized expenditure

78	9	Excess without allocation of expenditure - Rs. 4.359 million	2018-19	Excess expenditure
79	14	Non-production of hospital revenue receipt record	2018-19	Non-production
DHO, JAFFARABAD				
80	3	Less supply of medicines - Rs. 13.267 million	2018-19	Less supply
DHO, WASHUK				
81	3	Unauthorized expenditure beyond the delegated powers - Rs. 2.400 million	2018-19	Unauthorized
PD, MEKRAN MEDICAL COLLEGE AT TURBAT				
82	7	Irregular expenditure on execution of development works without technical sanction - Rs. 194.091 million	2016-17	Unauthorized expenditure
83	6	Unauthorized irregular grant of mobilization advance - Rs. 49.625 million	2018-19	Unauthorized expenditure
84	7	Irregular award of work without obtaining performance security - Rs. 33.083 million	2018-19	Unauthorized expenditure
ED, BALOCHISTAN INSTITUTE OF PSYCHIATRY AND BEHAVIORAL SCIENCE				
85	3	Non-surrendering of anticipated savings - Rs. 16.882 million	2017-19	Non-surrender
86	4	Irregular expenditure on purchase of books - Rs. 32.577 million	2017-19	Irregular expenditure

DHQ, LORALAI				
87	1	Non-supply of medicines from MSD - Rs. 18.564 million	2017-18	Non-supply
88	1	Non-receipt of medicines from MSD - Rs. 9.836 million	2018-19	Non-receipt
89	2	Non-launching of hospital waste management system	2018-19	Waste management
90	3	Unsatisfactory cleanliness facility made by hospital management	2018-19	Irregular expenditure
91	6	Excess expenditure than provision of budget - Rs. 2.465 million	2018-19	Excess expenditure
92	7	Non-surrendering of anticipated savings - Rs. 7.805 million	2018-19	Non-surrender
DHO, Loralai				
93	2	Non-supply of medicines from MSD - Rs. 1.263 million	2017-18	Non-supply
MS, BMC, Quetta				
94	4	Receipt of medicine other than indent - Rs. 7.439 million	2017-18	Improper receipt
95	5	Improper issuance of medicines - Rs. 211.893 million	2017-18	Improper issuance
96	1	Drawal of pay in excess of sanctioned strength - Rs. 27.600 million	2018-19	Excess strength
97	5	Non-conducting of drug testing/verification procedures of medicines - Rs. 289.772 million	2018-19	Lab test

98	9	Irregular appointments of contingent staff	2018-19	Irregular appointment
99	11	Unauthorized/unjustified award of contract	2018-19	Irregular expenditure
100	13	Unjustified award of contract of operation and maintenance of MRI machine	2018-19	Irregular expenditure
101	16	Improper collection of revenue receipts	2018-19	Improper collection
102	17	Unfair expenditure on account of medical reimbursement - Rs. 21.131 million	2018-19	Irregular expenditure
CEO, BNIUQ				
103	01	Unauthorized expenditure without sanction of budget estimates from the competent authority - Rs. 1,054 million	2016-18	Unauthorized
104	10	Blockage of funds due to unnecessary purchase of machinery - Rs. 6.529 million	2016-18	Unnecessary expenditure
105	20	Non-production of record	2016-18	Non-production
106	01	Unauthorized expenditure without sanction of budget estimates from the competent authority - Rs. 818.475 million	2018-19	Unauthorized
107	07	Blockage of funds due to unnecessary purchase of machinery - Rs. 5.842 million	2018-19	Unnecessary expenditure
108	11	Unauthorized appointments of contingent paid staff - Rs. 42.924 million	2018-19	Unauthorized
ADDITIONAL DIRECTOR, MSD				

109	02	Lapse of budget on purchase of medicines - Rs. 905.119	2018-19	Lapse of budget
110		Inappropriate procurement and distribution process of drugs and medicines - Rs. 933.660 million	2018-19	Irregular
BMC, Quetta				
111		Medical Superintendent, BMC Hospital - Rs. 314.08 million	2018-19	Lapse of budget
Medical Superintendent, Mohtarma Shaheed Benazir Bhutto General Hospital, Quetta				
112		Unjustified expenditure on purchase of Digital OPG X-ray machine - Rs. 60.680 million	2018-19	Unjustified

Livestock and Dairy Development Department

S. No.	Observation	Financial year	Remarks
DG, Livestock and Dairy Development			
1	Loss to the government due to theft of vehicles - Rs. 2.400 million	2018-19	Loss
Additional Principal, Veterinary Officer, Beef Production Research Centre, Sibi			
2	Irregular expenditure due to non-calling of open tender - Rs. 2.640 million	2018-19	Irregular
Superintendent, Government Poultry Farm, Quetta			
3	Irregular expenditure due to non-calling of open tender - Rs. 3.044 million	2018-19	Irregular
Superintendent, Dairy Farm, Loralai			
4	Irregular expenditure due to non-calling of open tender - Rs. 3.289 million	2018-19	Irregular

Superintendent, Multi-purpose, Sheep Research Station, Yatabad, Loralai			
5	Irregular expenditure due to non-calling of open tender - Rs. 2.062 million	2018-19	Irregular
Superintendent, Government Dairy Farm, Pishin			
6	Irregular expenditure due to non-calling of open tender - Rs. 2.504 million	2018-19	Irregular
Superintendent, Red Sindhi Cattle Farm, Hub			
7	Irregular expenditure on procurement of dairy ration - Rs. 7.688 million	2018-19	Irregular
Additional Principal, Veterinary Officer, Beef Production Research Centre, Sibi			
8	Unauthorized drawal of cheques in the name of DDO - Rs. 3.978 million	2018-19	Unauthorized
Superintendent, Multi-purpose, Sheep Research Station, Yatabad, Loralai			
9	Unauthorized drawal of cheques in the name of DDO - Rs. 3.486 million		Unauthorized
MD, PFHA, Balochistan			
10	Doubtful expenditure on TA/DA - Rs. 4.115 million	2017-18	Doubtful

S&GA Department

Para	Observation	Financial year	Remarks
3	Unauthorized appointment on contract basis - Rs. 2.905 million	2018-19	Unauthorized
1	Non-transfer of the high value asset of Balochistan House	2018-19	Loss

Sports and Youth Affairs Department

Department	Observation	Financial year	Remarks
DG, Sports, Balochistan, Quetta	Irregular expenditure due to non-calling of open tender - Rs. 34.837 million	2018-19	Irregular

LUAWMS

Observation	Financial year	Remarks
Inadmissible allowance paid to contract employee - Rs. 1.888 million	2018-19	Irregular

PD, Quetta Safe City Project, Quetta

Para No.	Observation	Financial year	Remarks
4	Double drawal of salaries - Rs. 2.336 million	2018-19	Doubtful

Finance Department

AIR Para No	Name	Financial year	Observation
3	BBPRA	2017-18	Non-imposition of penalty due to delay in completion of work - Rs. 4.943 million
5	BBPRA	2017-18	Loss to the Authority due to non-levy of Tariff/Hoisting Charges on advertisement on BPPRA Website - Rs. 266.115 million
2	TO, Quetta	2017-18	Irregular expenditure at the close of the financial year - Rs. 5.226 million
3	TO, Quetta	2017-18	Unauthorized expenditure on purchase of stationery - Rs. 0.349 million
4	TO, Quetta	2017-18	Irregular advance payment against printing charges - Rs. 0.197 million
1	TO, Sherani	2017-19	Irregular expenditure on repairs of transport - Rs. 0.335 million
2	TO, Sherani	2017-19	Irregular expenditure on account of rent charges - Rs. 1.190 million
7	TO, Sherani	2017-19	Unauthorized payment of hill allowance - Rs. 1.363 million
4	TO, Khuzdar	2016-18	Irregular expenditure on repair of vehicle and office building - Rs. 0.192 million

AIR Para No	Name	Financial year	Observation
5	TO, Khuzdar	2016-18	Irregular expenditure without sanction of competent authority - Rs. 0.348 million
6	TO, Khuzdar	2016-18	Unauthorized expenditure on repair of furniture and machinery - Rs. 0.226 million
7	TO, Khuzdar	2016-18	Irregular excess reporting of expenditure due to non-reconciliation - Rs. 0.277 million
08	TO, Khuzdar	2016-18	Unauthorized payment of hill allowance - Rs. 1.363 million
3	TO, Naseerabad	2017-19	Unauthorized and doubtful expenditure on repair of building - Rs.0.499 million
9	TO, Naseerabad	2017-19	Inadmissible payment of Risk Allowance Balochistan Police - Rs. 0.235 million
3	Senior TO, Quetta	2018-19	Unauthorized expenditure on purchase of stationery - Rs. 0.345 million
2	TO, Harnai	2017-19	Non-realization of GST - Rs. 0.103 million
5	TO, Harnai	2017-19	Irregular expenditure on account of various contingent heads - Rs. 1.582 million
4	BRA, Quetta	2017-19	Overpayment due to excess drawal of pay and allowances - Rs. 0.776 million
10	BRA, Quetta	2017-19	Wasteful expenditure on account rent of office building - Rs. 0.300 million
11	BRA, Quetta	2017-19	Doubtful expenditure on purchase of dining table - Rs. 0.098 million
12	BRA, Quetta	2017-19	Irregular expenditure on purchase of furniture and equipment - Rs. 0.450 million
13	BRA, Quetta	2017-19	Doubtful expenditure on repair of rented office building - Rs. 0.306 million

AIR Para No	Name	Financial year	Observation
14	BRA, Quetta	2017-19	Irregular expenditure on purchase of various items - Rs. 0.450 million
16	BRA, Quetta	2017-19	Non-payment of contribution of pension of deputations - Rs. 0.812 million
17	BRA, Quetta	2017-19	Unauthorized payment of club fee and recovery thereof - Rs. 0.214 million
18	BRA, Quetta	2017-19	Irregular expenditure on account of bonus - Rs. 0.500 million
09	BRA, Quetta	2017-18	Irregular drawl of pay and allowances - Rs. 7.195 million
2	TO, Khuzdar	2018-19	Irregular expenditure on purchase of stationery - Rs. 0.481 million
4	TO, Khuzdar	2018-19	Unauthorized payment of GPF advance - Rs. 0.764 million
7	MD, BPPRA, Quetta	2018-19	Excess expenditure than provision of budget - Rs. 12.533 million
1	TO, Zhob	2017-19	Irregular expenditure on purchase furniture and repair of machinery - Rs. 1.366 million
3	TO, Zhob	2017-19	Non-realization of GST - Rs. 1.056 million
6	DG (Treasuries and Accounts), Balochistan Quetta	2014-19	Non-surrendering of anticipated savings - Rs. 3.321 million
11	DG (Treasuries and Accounts),	2014-19	Non-reconciliation of expenditure - Rs. 46.993 million

AIR Para No	Name	Financial year	Observation
	Balochistan, Quetta		
12	DG (Treasuries and Accounts), Balochistan Quetta	2014-19	Purchases of vehicles without verification/inspection report from the purchase committee - Rs. 7.675 million
8	TO, Jhal Magsi	2017-19	Non-deduction of GST - Rs. 0.118 million
2	TO, Lasbela	2018-19	Non-deduction of house rent allowance - Rs. 0.070 million
6	TO, Lasbela	2018-19	Inadmissible payment of Risk Allowance Balochistan Police - Rs. 0.250 million
1	TO, Dera Bugti	2015-20	Non-surrendering of saving - Rs 1.194 million
3	TO, Dera Bugti	2015-20	Irregular expenditure - Rs. 0.224 million
5	TO, Dera Bugti	2015-20	Inadmissible payment of irrelevant allowances - Rs. 0.129 million
12	TO, Dera Bugti	2015-20	Unjustified payment of House Rent Allowance - Rs. 0.118 million
13	TO, Dera Bugti	2015-20	Payment of pay and allowances without mentioning date of appointment in payroll
14	TO, Dera Bugti	2015-20	Irregular and unjustified payment of Cash award - Rs. 0.924 million
06	TO, Dera Bugti	2015-20	Unjustified payments during the Covid-19 lock down - Rs. 41 million
08	TO, Dera Bugti	2015-20	Unauthorized payment of hill allowance Rs. 1.212 million
2	TO, Pishin	2018-19	Non-deduction of GST - Rs. 0.071 million

AIR Para No	Name	Financial year	Observation
3	TO, Pishin	2018-19	Non-deduction of BSTS - Rs. 0.129 million
4	TO, Pishin	2018-19	Unauthorized payment on account of medical charges - Rs. 0.143 million
5	TO, Pishin	2018-19	Missing supporting documents - Rs. 0.347 million
6	TO, Pishin	2018-19	Unauthorized payment beyond the delegated financial power - Rs. 1.875 million
7	TO, Pishin	2018-19	Overpayment on account of TA on transfer and medical attendance - Rs 0.228 million
8	TO, Pishin	2018-19	Fraudulent withdrawal of Travelling Allowance - Rs. 0.179 million
9	TO, Pishin	2018-19	Doubtful/irregular payment on account of procurement of stationery - Rs. 0.350 million
10	TO, Pishin	2018-19	Unauthorized procurement from unregistered vendors - Rs. 0.969 million
11	TO, Pishin	2018-19	Illegal payment from receipts - Rs. 0.246 million
12	TO, Pishin	2018-19	Deliberate misreporting on reconciliation of SBD
13	TO, Pishin	2018-19	Unnecessary delay in processing of 1,327 bills/claims

Annexures